

DRAFT RED HERRING PROSPECTUS

Dated: July 24, 2015

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

(Please read Section 32 of the Companies Act, 2013)

100% Book Built Offer**HEALTHCARE GLOBAL ENTERPRISES LIMITED**

Our Company was originally incorporated as Curie Centre of Oncology Private Limited on March 12, 1998 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to HealthCare Global Enterprises Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on November 14, 2005. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on May 20, 2006 and the name of our Company was changed to HealthCare Global Enterprises Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on July 5, 2006. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 177.

Registered Office: HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India
Contact Person: Sunu Manuel, Company Secretary and Compliance Officer; **Tel:** +91 80 4660 7700; **Fax:** +91 80 4660 7749

E-mail: investors@hcgoncology.com; **Website:** www.hcgel.com

Corporate Identification Number: U15200KA1998PLC023489

OUR PROMOTERS: DR. BS AJAI KUMAR, DR. GANESH NAYAK, DR. BS RAMESH, DR. KS GOPINATH AND DR. M GOPICHAND

PUBLIC OFFER OF UP TO 31,098,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF HEALTHCARE GLOBAL ENTERPRISES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) AGGREGATING UP TO ₹[•] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO 11,600,000 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 19,498,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED HEREUNDER) AGGREGATING UP TO ₹[•] MILLION ("OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE 36.83% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDERS (AS DEFINED HEREUNDER) IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [•] EDITIONS OF [•], [•] EDITIONS OF [•] AND [•] EDITIONS OF [•] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND KANNADA NEWSPAPERS RESPECTIVELY, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

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. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), and in accordance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), the Offer is being made for at least such percentage of Equity Shares equivalent to the value of ₹4,000 million and the post-Offer capital of our Company at the Offer Price is more than ₹16,000 million but less than or equal to ₹40,000 million. The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company in consultation with the Investor Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% 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. All potential investors, other than Anchor Investors, may participate in this Offer through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Offer. For details, see "Offer Procedure" on page 319.

RISK 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 and the Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Offer Price (determined and justified by our Company in consultation with the Investor Selling Shareholders and the BRLMs as stated under "Basis for Offer Price" on page 118) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in 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 16.

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. The Other Selling Shareholders severally and not jointly accept responsibility that this Draft Red Herring Prospectus contains all information about them as Other Selling Shareholders in the context of the Offer for Sale and further assume responsibility for statements in relation to them included in this Draft Red Herring Prospectus. Further, the Investor Selling Shareholders severally and not jointly, accept responsibility only for statements expressly made by such Investor Selling Shareholder in relation to itself in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [•].

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 Fax: +91 22 4713 2447 E-mail: hcg.ipo@kotak.com Investor grievance email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	Edelweiss Financial Services Limited 14 th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 Email: hcg.ipo@edelweissfin.com Investor grievance email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Siddharth Shah/Vivek Kumar SEBI Registration No.: INM0000010650	Goldman Sachs (India) Securities Private Limited Rational House 951-A, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6616 9000 Fax: +91 22 6616 9090 Email: gs-hcg-ipo@gs.com Investor grievance email: india-client-support@gs.com Website: http://www.goldmansachs.com/worldwide/india/offers.html Contact Person: Dipak Daga SEBI Registration No.: INM000011054

REGISTRAR TO THE OFFER

IDFC Securities Limited Naman Chambers, C-32, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 6622 2600 Fax: +91 22 6622 2501 Email: hcg.ipo@idfc.com Investor grievance email: investorgrievance@idfc.com Website: www.idfcsec.com Contact Person: Gaurav Goyal SEBI Registration No.: MB/INM000011336	IIFL Holdings Limited 8 th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 Email: hcg.ipo@iiflcap.com Investor grievance email: ig.ib@iiflcap.com Website: www.iiflcap.com Contact Person: Pinak Bhattacharyya/Vishal Bangard SEBI Registration No.: INM000010940	Yes Bank Limited Yes Bank Tower, IFC, Tower 2, 18 th Floor Senapati Bapat Marg, Elphinstone (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 3366 9000 Fax: +91 22 2421 4508 Email: dlhcgipo@yesbank.in Investor grievance email: merchantbanking@yesbank.in Website: www.yesbank.in Contact Person: Dhruvin Mehta SEBI Registration No.: MB/INM000010874	Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor grievance email: hcgglobal.ipo@karvy.com Website: www.karvisma.karvy.com Contact Person: Rakesh Santhalia SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[•] ⁽¹⁾
BID/OFFER CLOSING ON	[•] ⁽²⁾

⁽¹⁾ Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date

⁽²⁾ Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, 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

TABLE OF CONTENTS

SECTION I: GENERAL	2
DEFINITIONS AND ABBREVIATIONS	2
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	12
FORWARD-LOOKING STATEMENTS	14
SECTION II: RISK FACTORS	16
SECTION III: INTRODUCTION	45
SUMMARY OF INDUSTRY	45
SUMMARY OF OUR BUSINESS	49
SUMMARY OF FINANCIAL INFORMATION	55
THE OFFER	63
GENERAL INFORMATION	65
CAPITAL STRUCTURE	74
OBJECTS OF THE OFFER	110
BASIS FOR OFFER PRICE	118
STATEMENT OF TAX BENEFITS	121
SECTION IV: ABOUT OUR COMPANY	135
INDUSTRY OVERVIEW	135
OUR BUSINESS	147
REGULATIONS AND POLICIES	171
HISTORY AND CERTAIN CORPORATE MATTERS	177
OUR MANAGEMENT	193
OUR PROMOTERS	210
OUR GROUP ENTITIES	214
RELATED PARTY TRANSACTIONS	219
DIVIDEND POLICY	220
SECTION V: FINANCIAL INFORMATION	221
FINANCIAL STATEMENTS	221
FINANCIAL INDEBTEDNESS	222
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	254
SECTION VI: LEGAL AND OTHER INFORMATION	277
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	277
GOVERNMENT AND OTHER APPROVALS	290
OTHER REGULATORY AND STATUTORY DISCLOSURES	293
SECTION VII: OFFER INFORMATION	311
TERMS OF THE OFFER	311
OFFER STRUCTURE	314
OFFER PROCEDURE	319
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	372
SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	373
SECTION IX: OTHER INFORMATION	483
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	483
DECLARATION	486

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
“our Company”, “the Company”, “the Issuer” or “HCG”	HealthCare Global Enterprises Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries and LLPs

Company Related Terms

Term	Description
AOPL	Aastha Oncology Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1, Maharashtra Society, Near Mithakali Six Road, Ellisbridge, Ahmedabad 380 006, Gujarat, India
APEX HCG LLP	APEX HCG Oncology Hospitals LLP
Articles of Association/AoA	Articles of Association of our Company, as amended
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
BACC Healthcare	BACC Health Care Private Limited
BCCHI	The Bharath Charitable Cancer Hospital and Institute (Private Charitable Trust)
BMORCL	Banashankari Medical and Oncology Research Centre Private Limited
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Corporate Office	Corporate office of our Company located at Tower Block, Unity Building Complex, No. 3, Mission Road, Bengaluru 560 027, Karnataka, India
Director(s)	Director(s) of our Company
DKR Healthcare	DKR Healthcare Private Limited
Equity Shares	Equity Shares of our Company of face value of ₹10 each
ESOP 2010	Employee Stock Option Scheme 2010
ESOP 2014	Employee Stock Option Scheme 2014
Evolvece	Evolvece India Life Sciences Fund LLC
GMH LLP	Gutti Malnad Hospital LLP
Group Entities	Companies, firms, ventures, etc. promoted by our Promoters, irrespective of whether or not such entities are covered under Section 370(1B) of the Companies Act. For details, see “Our Group Entities” on page 214
HCG Africa	HealthCare Global (Africa) Pvt. Ltd.
HCG Diwan Chand LLP	HealthCare Diwan Chand Imaging LLP
HCG EKO LLP	HCG EKO Oncology LLP
HCG Kenya	HealthCare Global (Kenya) Private Limited
HCG Mauritius	HCG (Mauritius) Pvt. Ltd.
HCG Medi-Surge	HCG Medi-Surge Hospitals Private Limited
HCG NCHRI LLP	HCG NCHRI Oncology LLP
HCG Pinnacle	HCG Pinnacle Oncology Private Limited
HCG Regency	HCG Regency Oncology Healthcare Private Limited
HCG Senthil	HealthCare Global Senthil Multi Specialty Hospitals Private Limited
HCG Tanzania	HealthCare Global (Tanzania) Private Limited
HCG TVH	HCG TVH Medical Imaging Private Limited
HCG Uganda	HealthCare Global (Uganda) Private Limited
HCG Vijay	HealthCare Global Vijay Oncology Private Limited
HMS	HCG Multi-Specialty Hospital
IHDUA	International Human Development and Upliftment Academy (Private Trust)
KDCPL	Kruti Designers and Contractors Private Limited
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013 and as disclosed

Term	Description
	in “Our Management” on page 193
LLPs	Limited Liability Partnership firms in which our Company is a partner, namely: 1. APEX HCG LLP 2. HCG Diwan Chand LLP 3. HCG EKO LLP 4. HCG NCHRI LLP 5. HCG Oncology LLP 6. Strand-Triesta LLP
Malnad Hospital	Malnad Hospital and Institute of Oncology Private Limited
Malnad LLP	Malnad Hi Tech Diagnostic Centre LLP
MAT	Milestone Army Trust, an Indian trust, having its principal office at Tower A-602, 6th floor, Express Zone, Western Express Highway, opposite Oberoi Mall, Malad East, Mumbai, Maharashtra, India of which Shachindra Nath is the trustee
Memorandum of Association/MOA	Memorandum of Association of our Company, as amended
MIMS HCG	MIMS HCG Oncology Private Limited
MPEF	Milestone Private Equity Fund, an Indian trust, registered with SEBI as a venture capital fund having its principal office at Tower A-602, 6th floor, Express Zone, Western Express Highway, opposite Oberoi Mall, Malad East, Mumbai, Maharashtra, India, through its scheme namely India Build-Out Fund-I of which IL&FS Trust Company Limited is the trustee
NTICPL	Napean Trading and Investment Company Private Limited
PIOF	PI Opportunities Fund I, a venture capital fund registered under the SEBI VCF Regulations and having its principal office at No. 5 Janmabhoomi Marg, Fort, Mumbai, Maharashtra, India
Promoter	Promoters of our Company, namely, Dr. BS Ajai Kumar, Dr. Ganesh Nayak, Dr. BS Ramesh, Dr. KS Gopinath and Dr. M Gopichand For details, see “Our Promoters” on page 210
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	Registered office of our Company located at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Bangalore situated at Karnataka, India
Restated Consolidated Financial Statements	The restated audited consolidated financial information of our Company, Subsidiaries and associates which comprises of the restated audited consolidated balance sheet, the restated audited consolidated profit and loss information and the restated audited consolidated cash flow information as at and for the financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, together with the annexures and notes thereto
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The restated audited standalone financial information of our Company which comprises of the restated audited standalone balance sheet, the restated audited standalone profit and loss information and the restated audited standalone cash flow information as at and for the financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011, together with the annexures and notes thereto
Shareholders	Shareholders of our Company from time to time
SSDURCPL	Sada Sharada Diagnostic Urology and Rehabilitation Centre Private Limited
SSHDUA	Sada Sharada Human Development and Upliftment Academy
SSTRI	Sada Sharada Tumour and Research Institute
Strand-Triesta LLP	Strand-Triesta Cancer Genomics LLP
Subsidiaries or individually known as Subsidiary	Subsidiaries of our Company namely: 1. BACC Healthcare 2. DKR Healthcare 3. HCG Medi-Surge 4. HCG Pinnacle 5. HCG Regency 6. HCG TVH 7. HCG Africa 8. HCG Mauritius 9. HCG Kenya 10. HCG Tanzania 11. HCG Uganda

Term	Description
	12. HCG Senthil 13. Malnad Hospital 14. MIMS HCG
Ubiquitous	Ubiquitous Oncoreach LLP
V-Sciences	V-Sciences Investments Pte Ltd, a company incorporated under the laws of Singapore and having its registered office at 60B, Orchard Road, #06-18, Tower 2, The Atrium@Orchard, Singapore

Offer Related Terms

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	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	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
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 will be decided by our Company, in consultation with the Investor Selling Shareholders and the BRLMs
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted
Anchor Investor Offer Price	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 by our Company in consultation with the Investor Selling Shareholders and the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Investor Selling Shareholders and the BRLMs, to Anchor Investors on a discretionary basis One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Offer
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit their Bid through the ASBA process
Banker(s) to the Offer/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure” on page 319
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe to or 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 The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment or transfer, as the case may be, in terms

Term	Description
	of the Red Herring Prospectus and the Prospectus
Bid Lot	[●]
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, 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
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Kotak Mahindra Capital Company Limited, Edelweiss Financial Services Limited, Goldman Sachs (India) Securities Private Limited, IDFC Securities Limited, IIFL Holdings Limited and Yes Bank Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
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, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalised by our Company in consultation with the Investor Selling Shareholders and the BRLMs Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated July 24, 2015, 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
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid

Term	Description
	Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Karvy Computershare Private Limited
Escrow Agreement	Agreement dated [●] entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to 11,600,000 Equity Shares aggregating up to ₹[●] million by our Company
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “Offer Procedure” on page 319
GS	Goldman Sachs (India) Securities Private Limited
IDFC	IDFC Securities Limited
IIFL	IIFL Holdings Limited
Investor Share Escrow Agreement	Agreement dated [●] entered into by our Company, Dr. BS Ajai Kumar, Gangadhara Ganapati, Investor Selling Shareholders, the Escrow Agent, in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Investor Selling Shareholders	MAT, MPEF, PIOF, V-Sciences
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 466,470 Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer expenses For further information about use of the Offer Proceeds and the Offer expenses, see “Objects of the Offer” on page 110
Non-Institutional Bidders	All Bidders that are not QIBs 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 more than 15% of the Offer consisting of 4,664,700 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FIIs and FPIs
Offer	The public issue of up to 31,098,000 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] million comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated July 24, 2015 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 19,498,000 Equity Shares by Selling Shareholders at the Offer Price aggregating up to ₹[●] million in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company in consultation with the Investor Selling Shareholders and the BRLMs on the Pricing Date
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholders
Other Selling Shareholders	1. AOPL 2. Dr. BS Ajai Kumar

Term	Description
	3. Dr. G Kilara 4. Dr. K Harish jointly with Shubha Harish 5. Dr. Nalini Kilara 6. Ganga Ramaiah 7. Gangadhara Ganapati 8. Rajesh Ramaiah 9. Shubha Harish jointly with Dr. K Harish
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Kannada newspaper [●], each with wide circulation
Pricing Date	The date on which our Company in consultation with the Investor Selling Shareholders and the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Issue Account	Account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category/QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being at least 75% of the Offer consisting of 23,323,500 Equity Shares which shall be Allotted to QIBs (including Anchor Investors)
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI 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 registered with the RoC at least three 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 opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, 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 to the Offer/Registrar	Karvy Computershare Private Limited
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of 3,109,800 Equity Shares which shall be available for allocation to Retail Individual Bidders) in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time

Term	Description
Selling Shareholders	Investor Selling Shareholders and Other Selling Shareholders offering Equity Shares in the Offer for Sale
Share Escrow Agreement	Agreement dated July 17, 2015 entered into by AOPL, Dr. G Kilara, Dr. K Harish, Shubha Harish, Dr. Nalini Kilara, Ganga Ramaiah, Rajesh Ramaiah, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010
Yes Bank	Yes Bank Limited

Technical/Industry Related Terms/Abbreviations

Term	Description
3D-CRT	3D-Conformal Radiation Therapy
CAP	College of American Pathologists
CDC	CDC Group plc
CT	Computed Tomography
DNA	Deoxyribo Nucleic Acid
EMR	Electronic Medical Record
ERP	Enterprise resource planning
FDG	Fludeoxyglucose
GIPSA	The General Insurers’ (Public Sector) Association of India
HIS	Hospital Information Systems
IBEF	India Brand Equity Foundation
ICSI	Intracytoplasmic Sperm Injection
ICU	Intensive Care Unit
IGRT	Image Guided Radiation Therapy
IMRT	Intensity-Modulated Radiation Therapy
IUI	Intrauterine Insemination
IVF	In Vitro Fertilisation
LINAC	Linear Accelerator
MBBS	Bachelor of Medicine, Bachelor of Surgery
MRI	Magnetic Resonance Imaging
NABH	National Accreditation Board for Hospitals and Healthcare Providers
NABL	National Accreditation Board for Testing and Calibration Laboratories
NMR	Nuclear Magnetic Resonance
PACS	Picture Archiving and Communication System
PCOS	Poly-Cystic Ovarian Syndrome
PCR	Polymerase Chain Reaction
PET-CT	Positron Emission Tomography–Computed Tomography
RIS	Radiology Information System
RNA	Ribonucleic Acid
SRS	Stereotactic Radiosurgery

Term	Description
SRT	Stereotactic Radiotherapy
WBRRS	Whole Body Robotic Radiosurgery

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AERB	Atomic Energy Regulatory Board
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
ART Bill	The Assisted Reproductive Technologies (Regulation) Bill of 2013
ART Guidelines	The Assisted Reproductive Technologies Guidelines
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Atomic Energy Act	Atomic Energy Act, 1962
Atomic Energy Rules	Atomic Energy (Radiation Protection) Rules, 2004
BMW Rules	Bio-Medical Waste (Management and Handling) Rules, 1998
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Civil Code	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Customs Act	The Customs Act, 1962
DCA	Drugs and Cosmetics Act, 1940
DCA Rules	Drugs and Cosmetics Rules, 1945
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
DTC	Direct Taxes Code
EGM	Extraordinary General Meeting
EPA	Environment Protection Act, 1986
EPCG Scheme	The Export Promotion Capital Goods Scheme
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employees State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto

Term	Description
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
GST	Goods and Services Tax
Hazardous Waste Rules, HMW Rules	Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards notified by the Ministry of Finance on March 31, 2015
IFRS	International Financial Reporting Standards
IMCA	Indian Medical Council Act, 1956
IMDA	Indian Medical Degree Act, 1916
Income Tax Act	The Income Tax Act, 1961
India	Republic of India
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules of 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
MTP Act	Medical Termination of Pregnancy Act, 1971
N.A./NA	Not Applicable
Narcotic Act	Narcotic Drugs and Psychotropic Substances Act, 1985
NAV	Net Asset Value
NBFC	Non-banking financial company registered with the RBI
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that were notified by the Ministry of Corporate Affairs, Government of India
NR	Non-resident
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Pharmacy Act	Pharmacy Act, 1948
PNDT Act	Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994
Radiation Rules	Radiation Protection Rules, 1971

Term	Description
Radiation Surveillance Procedure	Radiation Surveillance Procedures for Medical Application of Radiation, 1989
Radioactive Waste Rules	Atomic Energy (Safe Disposal of Radioactive Waste) Rules, 1987
RBI	Reserve Bank of India
RoC	Registrar of Companies, Bangalore
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Transplantation of Organs Act	Transplantation of Human Organs Act, 1994
U.S./USA/United States	United States of America
ULIP	Unit-linked insurance plan
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
VAS	Value Added Services
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974
X-Ray Safety Code	The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Statement of Tax Benefits*”, “*Financial Statements*” and “*Main Provisions of Articles of Association*” on pages 121, F-1 and 373, respectively, shall have the meaning given to such terms in such sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India, all references to “Kenya” are to the Republic of Kenya, all references to “Mauritius” are to the Republic of Mauritius, all references to “Tanzania” are to the United Republic of Tanzania, all references “Uganda” are to the Republic of Uganda and all references to “USA”, “US” and “United States” are to the United States of America.

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

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

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 and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of the financial information included in this Draft Red Herring Prospectus 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 financial data included in this Draft Red Herring Prospectus. For details in connection with risks involving differences between Indian GAAP and IFRS, see “*Risk Factors*” on page 16. 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 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.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 16, 147 and 254 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

EBIDTA presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indian GAAP, IFRS or US GAAP. Furthermore, EBIDTA is not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

Currency and Units of Presentation

All references to:

- “KES” are to the Kenyan Shilling, the official currency of the Republic of Kenya;
- “MUR” or are to the Mauritian Rupee, the official currency of the Republic of Mauritius;
- “Rupees” or “₹” or “INR” or “Rs.” are to the Indian Rupee, the official currency of the Republic of India;
- “TZS” are to the Tanzanian Shilling, the official currency of the United Republic of Tanzania;

- “UGX” are to the Ugandan Shilling, the official currency of the Republic of Uganda; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and (i) the KES (in Rupees per KES); (ii) the MUR (in Rupees per MUR); (iii) the TZS (in Rupees per TZS); (iv) the UGX (in Rupees per UGX); and (v) the USD (in Rupees per USD):

Currency	As on March 31, 2013 ⁽¹⁾ (₹)	As on March 31, 2014 ⁽¹⁾ (₹)	As on March 31, 2015 ⁽¹⁾ (₹)
1 KES	0.64	0.69	0.67
1 MUR	1.75	1.99	1.71
1 TZS	0.03	0.04	0.04
1 UGX	0.02	0.02	0.02
1 USD	54.28	59.88	62.31

(Source: Bloomberg)

(1) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on page 16. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Offer Price” on page 118 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

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

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Investor Selling Shareholders and Other Selling Shareholders, as the case may be, in this Draft Red Herring Prospectus shall severally and not jointly deemed to be statements and undertakings made by such Selling Shareholders. All other statements and/or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder(s).

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India and globally 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 laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- reported net losses by our Company and some Subsidiaries in the recent Fiscal Years and their inability to achieve or sustain profitability in the future;
- recurrence of incidents of fraud committed by employees and officers of our Subsidiaries;
- unpredictability and variability of our results of operations year after year;
- inability to successfully expand our HCG network and our Milann network or closing down of any of our existing centres;
- inability to successfully execute our growth strategy;
- outcome of the legal proceedings pending against our Promoters;
- resignation of our specialist physicians or our inability to attract or retain such specialist physicians;
- adverse economic, regulatory or other developments within Bengaluru, which may materially and adversely affect our centre of excellence in Bengaluru;
- failure to receive payments on time from our payers; and
- changes in government policies that relate to patients covered by government schemes.

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16, 147 and 254, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which 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, our Directors, the Investor Selling Shareholders, Other 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 SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. The Investor Selling Shareholders and Other Selling Shareholders severally and not jointly will ensure that investors are informed of material developments in relation to statements and undertakings made by the Selling Shareholders in the Red Herring Prospectus and the Prospectus until the time of the grant of listing

and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any one or a combination of the following risks actually occurs, our business, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. In addition, 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. 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, and purchaser of, the Equity Shares should pay particular attention to the fact that we are governed in India, by a legal and regulatory environment which may be different from that which prevails in the United States and other countries in some material respects. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated and standalone basis and the terms of the Offer including the merits and the risks involved. To obtain a complete understanding of our business, you should read the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Result of Operations" on pages 147 and 254, respectively. If our business, results of operations or financial condition suffer, the price of our Equity Shares and the value of your investments in the Equity Shares could decline.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

In this section, unless the context otherwise requires, a reference to our "Company" or to "we", "us" and "our" refers to HealthCare Global Enterprises Ltd, and its Subsidiaries and LLPs on a consolidated basis. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from the audited restated consolidated and standalone financial statements of our Company.

INTERNAL RISK FACTORS

1. *We and one of our Subsidiaries have reported net losses in the recent Fiscal Years and may be unable to achieve or sustain profitability in the future, which may materially and adversely impact our business and prospects.*

We incurred consolidated net losses amounting to ₹355.53 million and ₹105.14 million during Fiscal Years 2014 and 2013 and standalone net losses amounting to ₹23.66 million, ₹394.98 million and ₹71.58 million during Fiscal Years 2015, 2014 and 2013, respectively. Our Subsidiary HCG Medi-Surge incurred net losses amounting to ₹21.44 million during Fiscal Year 2014. Our and HCG Medi-Surge's net losses are primarily attributable to insufficient revenue to cover the expenses incurred on significant amount of debt obtained, and the depreciation expenses resulting from capital investments, in relation to the operation and expansion of our and HCG Medi-Surge's businesses. Although our revenue has increased on a year-on-year basis in the recent Fiscal Years and we earned a consolidated net profit amounting to ₹5.46 million during Fiscal Year 2015, we may be unable to achieve or sustain profitability on this revenue growth rate in the future.

We expect to continue to make substantial expenditures in the future to develop and expand our business, which may result in us incurring future losses. We cannot assure you that we will be able to realise any profits from such proposed expansions in a timely manner, or at all. In particular, our cancer care business is capital intensive and new cancer centres require a gestation period to break even, as a result of which we may not realise any profit corresponding to the amounts spent in a timely manner, or at all. In the past, we have also experienced delays in executing our cancer care projects due to, among other things, delays in obtaining requisite government approvals, delays by partners in completing construction and delivering the facilities, delays by vendors in delivering equipment and changes in the specification of the facilities due to technical and regulatory considerations, which resulted in significant cost overruns and reduced profitability. We may also experience time and cost overruns in the future in relation to our projects under development. Any delays and cost overruns in the future could materially and adversely impact our profitability. Our growth strategy may also prove more expensive than we currently anticipate and we may not succeed in increasing our revenue sufficiently

to offset any higher expenses. These increased expenditures may impair our ability to achieve or sustain profitability in the future. Our results of operations and profitability may also be influenced by the timing of the opening of new centres and the number of new centres opened, as new centres generally have lower revenue and higher operating expenses initially. See also, “*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Financial Results – Expansion of our HCG Network and our Milann Network*” on page 256.

Our prior losses have had and will continue to have an adverse effect on our business. If we continue to incur losses in the future or we are unable to achieve or sustain our profitability, our business and prospects may be materially and adversely affected.

2. *There have been incidents of fraud committed by employees of one of our Subsidiaries as well as by senior managers at our cancer centres in the past. If such incidents of fraud were to recur, our business, reputation and results of operations could be materially and adversely affected.*

Our former Subsidiary, HCG Vijay recorded excess revenue amounting to ₹40.44 million and corresponding excess balance in trade receivables amounting to ₹29.86 million and unbilled revenue amounting to ₹10.58 million in the past. Of this, ₹32.79 million was recognised in our consolidated financial statements for Fiscal Year 2013 and ₹7.65 million was recognised in our consolidated financial statements for Fiscal Year 2012. This excess revenue was recorded due to deliberate recording of fictitious invoices and services as revenue by certain employees of HCG Vijay. For further details, see “*Financial Statements*” on page F-1. In addition, two senior managers of our comprehensive cancer centres at Kalinga Rao Road and Double Road in Bengaluru had misappropriated funds amounting to ₹3.00 million during Fiscal Year 2011.

Although we reversed the excess revenue for HCG Vijay in our consolidated financial statements for Fiscal Year 2014 and have initiated legal proceedings against the employees responsible for the fraudulent accounting, and have terminated the employment of the two senior managers at our comprehensive cancer centres at Kalinga Rao Road and Double Road in Bengaluru, we cannot assure you that similar incidents will not occur in the future. If such incidents of fraud were to recur, our business, reputation and results of operations could be materially and adversely affected.

3. *Our results of operations are likely to vary from year to year and be unpredictable, which could cause the market price of the Equity Shares to decline.*

Our results of operations have historically varied from year to year due to various factors, and we expect that this trend will continue. You should not rely on our past financial results for any year as indicators of future performance. Our results of operations in any given year can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including:

- political and economic conditions, both in and outside India and in particular, in Africa where most of our international patients come from;
- non-availability of specialist physicians and doctors at our centres and hospitals;
- the timing of opening and the number of new centres;
- outbreak of epidemics, especially in Africa (such as Ebola), which may reduce the number of our international patients;
- changes in the competitive landscape in which we operate;
- changes in trends of cancer and fertility incidences in and outside India;
- government policies which may affect the pricing of our medical services;
- adverse publicity or loss of reputation of our centres, hospitals and brands; and/or
- any other risk factors described in this Draft Red Herring Prospectus.

See also, “*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Financial Results*” on page 256 for details on the factors affecting our financial results.

All of these factors, in combination or alone could negatively impact the number of our new patient

registrations and may cause significant fluctuations in our results of operations. This variability and unpredictability could materially and adversely affect our results of operations and financial condition.

4. ***The success of our business is dependent on our ability to expand our HCG network and our Milann network. If we are unable to successfully expand our HCG network and our Milann network or if any of our existing centres or hospitals are closed down, our business, financial condition and cash flows could be materially and adversely affected.***

Historically, our business growth has been primarily driven by establishing new centres and hospitals through various partnership arrangements and acquisitions; and we expect these to continue to be the key drivers for our future growth. See also, “*Our Business – Our partnership arrangements*” and “*History and Certain Corporate Matters – Summary of Key Agreements*” on pages 155 and 189, respectively.

The success of our business is dependent on our ability to maintain our relationships with our partners, to identify suitable partners and acquisitions targets and to undertake new partnership arrangements and acquisitions. We may be unable to continue to operate our centres and hospitals if there are any conflicts or disputes with our partners or if our partnership arrangements are not renewed at the end of their respective terms. In the past, we have received notices seeking termination of our partnership arrangement with Balabhai Nanavati Hospital pursuant to which we operate our comprehensive cancer centre in Mumbai, and arbitration proceedings are currently ongoing in this regard. We have also in the past discontinued operation of our HCG cancer centre at Erode, Tamil Nadu and our HCG day care chemotherapy centre at Pune due to dispute with our partners. For further details of our disputes with our partners, see “*Outstanding Litigation and Material Developments*” on page 277.

We have also, in the past, discontinued operations of a hospital we had taken on lease in Bengaluru for economic reasons. In addition, we have withdrawn from a partnership arrangement in Uganda. As a result of such discontinued operations, we have made significant write-offs of our amounts spent on these centres and the hospital. We cannot assure you that any of our existing or future centres or hospitals will not be closed temporarily or permanently in the future due to any business or other reasons. If any of our existing or future centres or hospitals is closed, whether temporarily or permanently, we may not derive returns on our amounts spent on such centres and hospitals, and our business, financial condition and cash flows could be materially and adversely affected.

5. ***We cannot assure you that we will be able to successfully execute our growth strategies, which could affect our business, prospects and results of operations.***

We propose to expand our existing network of cancer centres and fertility centres and strengthen our brand and market presence by adopting a series of strategies. For further details, see “*Our Business – Our Strategies*” on page 151.

Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. As a result, we may be unable to maintain the quality of our services as our business grows. We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in project execution resulting in significant time and cost overruns, delays or failure in receiving government approvals, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. We may also be unable to achieve the targeted levels of operations from our future projects. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past activities of such businesses. Additionally, expansion into new geographic regions, including new regions in India and in Africa will subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may also encounter other additional anticipated risks and significant competition in such markets. See also, “*Risk Factors – Our expansion into Africa could subject us to additional business, financial and competitive risks that we may or may not have currently envisaged*” on page 21. If we are unable

to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

6. *Two of our Promoters and one of our Directors are party to criminal proceedings and if convicted, our business and reputation could be adversely affected.*

Two of our Promoters, Dr. BS Ajai Kumar and Dr. Ganesh Nayak are party to criminal proceedings. In respect of the criminal proceeding against Dr. Ajai Kumar, the complainant, a police constable, has alleged that our Promoter and another individual used criminal force against the complainant and deterred the complainant from discharging his duties during a public event attended by our Promoter in his personal capacity. In respect of the criminal proceeding against Dr. Ganesh Nayak, the complainant, a patient who was being treated by him has accused him of improper conduct during a medical consultation. Dr. Ganesh Nayak has obtained anticipatory bail in connection with the matter. Both matters are currently pending before the jurisdictional magistrate. In addition, there is a criminal complaint against our Director, Shanker Annaswamy, in his capacity as the erstwhile managing director of a company, for violation of certain provisions of the Contract Labour Regulation Act of 1970 by that company. For further details, see “*Outstanding Litigation and Material Developments*” on page 277. We cannot assure you that these proceedings will be decided in favour of our Promoters or our Director. A conviction of our Promoters or Director pursuant to these proceedings, or any other proceedings against our Promoters, Directors or other Key Management Personnel may cause negative publicity and increase our legal costs and could adversely affect our business and reputation.

7. *Most of our specialist physicians are not our employees. If such specialist physicians discontinue their association with us or are unable to provide their services at our centres or hospitals for any reason or if we are unable to attract or retain such specialist physicians and other healthcare professionals, our business and results of operations may be materially and adversely affected.*

The success of our business is dependent on our ability to attract and retain leading specialist physicians. Most of our specialist physicians are not our employees. See “*Our Business – Specialist Physicians*” on page 168. We enter into medical consultancy contracts with such specialist physicians across India to provide medical services at our centres and hospitals. Some of these specialist physicians do not work exclusively with us and we generally allow them to maintain their positions at other healthcare facilities. Pursuant to such contracts, we do not impose any non-compete restrictions on such specialist physicians and consequently, they may also practice at other healthcare facilities, including those of our competitors. Our contracts also do not impose any time commitment on such specialist physicians. As a result, these specialist physicians may be unable to effectively allocate their time and other resources between our centres and hospitals and other healthcare facilities at which they work.

Further, our ability to attract and retain these specialist physicians and other healthcare professionals, including physicians and nurses depends, among other things, on the commercial terms that we offer them, the reputation of our centres and hospitals and the exposure to technology and research opportunities that we offer them. Pursuant to our medical consultancy contracts, we agree to pay our specialist physicians professional fees based on the services provided. There can be no assurance that we will be successful in controlling any upward pressure in the amount of professional fees or salaries (as applicable) paid to our specialist physicians and other healthcare professionals. If we are unable to make payments to these specialist physicians or other healthcare professionals on time, or at all, or if our relationship with them deteriorates, we may be unable to retain them. This may negatively impact our ability to provide quality care to our patients and decrease the number of our new patients registered. As a result, our business and results of operations could be materially and adversely affected.

8. *We derive a significant portion of our revenue from our centre of excellence in Bengaluru. Any adverse economic, regulatory or other developments within Bengaluru may materially and adversely impact our business, financial condition and results of operations.*

During Fiscal Years 2015, 2014 and 2013, we derived approximately 31.91%, 34.26% and 39.42% of our total revenue, respectively from our centre of excellence in Bengaluru. We expect to continue to experience such revenue concentration in the future. Due to this concentration of our revenue and our dependence on our centre of excellence in Bengaluru, any one or more of the following events

affecting our centre of excellence in Bengaluru, among others, may cause material fluctuations or decline in our revenue and could reduce our operating margins, as a result of which our financial condition and results of operations could be materially and adversely affected:

- decrease in the number of new patients registered;
- loss of key experienced medical professionals;
- adverse publicity and loss of reputation;
- decrease in profitability;
- any regulatory changes; and/ or
- competition in Bengaluru.

9. *If we do not receive payments on time from our payers, our financial condition, cash flows and results of operations may be materially and adversely affected.*

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements. For further details of our payers, see “Our Business – Our Payer Profile” on page 165. Each third party payer agreement typically specifies the services covered and any applicable exclusion, the approved tariffs for each of the services and the terms of payment. Our agreements with third party payers provide an important source of patients for us and therefore, impact our revenue. During Fiscal Years 2015, 2014 and 2013, we billed ₹1,779.89 million, ₹1,421.16 million and ₹1,119.82 million, respectively to third party payers which represented 34.27%, 31.49% and 33.10%, respectively of our total revenue from operations. As a result of this significant revenue concentration, we are dependent on the timely payment of outstanding dues by such third party payers. If we do not receive payments on a timely basis from third party payers our financial condition, cash flows and results of operations could be materially and adversely affected.

As of March 31, 2015, we had outstanding gross receivables amounting to ₹815.71 million from third party payers. We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payers. Provisions for disallowances reduce our revenue from operations and provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

10. *Change in government policies that relate to patients covered by government schemes could materially and adversely impact our financial condition, cash flows and results of operations.*

We provide medical services under various government schemes. For example, we provide medical services under the Central Government Health Scheme, which provides lifelong health coverage to all current and former central government employees and their dependents; and the Ex-Servicemen Health Scheme, which covers ex-servicemen pensioners and their dependents. We also provide medical services under the Vajpayee Aarogyasri Scheme and the Rajiv Gandhi Aarogyasri Scheme, which provide coverage for patients who are considered “below the poverty line” (such term being defined in the schemes). Our agreements with government payers specify applicable tariffs for the medical services and the terms of payment.

Government schemes are an important source of new patient registrations and revenue for us. As a result, if the applicable tariffs specified in the agreements with government payers are revised downwards, or if the extent of coverage or limits are reduced, or if the payment terms are made longer, or if the reimbursement policies are changed in the agreements with the government payers, or if the government payers terminate their agreements with us, our number of new patient registrations will decline and our revenue and profitability could be negatively affected.

11. *We face intense competition from other healthcare facilities. If we are unable to compete effectively, our business and results of operations may be materially and adversely affected.*

Our HCG cancer centres compete with other comprehensive cancer centres which serve the same catchment population, which include centres that are part of multi-specialty hospitals as well as other specialty cancer hospitals. Our Milann fertility centres compete with a large number of individual

practitioners and privately owned multi-clinic chains. Our competitors also include healthcare facilities owned or managed by government agencies and trusts, which may be able to obtain financing or make expenditures on more favourable terms than private healthcare facilities owned and managed by for-profit interests, such as ourselves. Some of our competitors may be more established and may have greater financial, personnel and other resources than us. In addition, even in situations where we are the dominant or sole provider of cancer care or fertility treatment in a city or region, patients may yet favour other healthcare facilities.

Our ability to effectively compete with our competitors is dependent on our ability to:

- achieve high success rates in diagnosis and treatment and reduce risks and side effects in providing cancer care and fertility treatment;
- enhance the brand image and marketability of our “HCG” and “Milann” brands;
- increase new patient registrations across our HCG network and our Milann network;
- successfully execute our expansion plans for our HCG network and our Milann network; and
- attract and retain specialist physicians, physicians and other skilled persons.

Existing or new competitors may also price their services at a significant discount to ours or offer greater convenience or better services or amenities than we provide. Our competitors may exert pricing pressures on some or all of our services and we may be forced to reduce the price of our services. Our competitors may also compete with us for specialist physicians, physicians and other healthcare professionals. This may result in a higher attrition rate at our HCG network and our Milann network and could negatively impact our ability to register new patients and provide high quality service. Further, our competitors may plan to expand their healthcare networks, which may exert further pricing and recruiting pressure on us. If we are unable to compete effectively with our competitors, our business and results of operations could be materially and adversely affected.

12. *If BACC Healthcare's promoter Dr. Kamini Rao exercises her put option, our business, prospects and financial condition could be adversely affected.*

We acquired a 50.10% equity interest in BACC Healthcare in March 2013, as a result of which, we operate four Milann fertility centres and four outreach clinics. During Fiscal Years 2015 and 2014, we derived 7.84% and 8.49%, respectively of our revenue from our Milann fertility centres.

Pursuant to our shareholders agreement with BACC Healthcare and Dr. Kamini Rao, the latter has the option to exercise a put option with respect to her shareholding in BACC Healthcare, at any point in time from March 23, 2018 to March 21, 2021. We believe that Dr. Kamini Rao's expertise and experience in the fertility business is key to BACC Healthcare's growth. Consequently, if she exercises her put option and if we are unable to find a suitable replacement for her or if we are unable to achieve a sustainable growth in our fertility business by such time that she chooses to exercise her put option, the operations of our Milann fertility centres may be adversely impacted. A negative impact on the business and results of operations of our Milann fertility centres could adversely affect our business, financial condition and results and operations. See also, “Risk Factors – We are subject to rights granted to our partners under various partnership arrangements and an exercise of such rights could materially and adversely affect our financial condition and results of operations” on page 24.

13. *Our expansion into Africa could subject us to additional business, financial and competitive risks that we may or may not have currently envisaged.*

Our expansion into Africa may expose us to additional business, financial and competitive risks. For instance, we may incur higher capital expenditure in establishing our cancer centres in Africa than we have currently anticipated. The expansion will also expose us to a different market environment from the one in which we currently operate. Our success will depend on our ability to address the risks we face in entering into a new market, which may include:

- difficulties and increased expenses in complying with a variety of foreign laws, regulations and trade standards;
- unfavourable tariffs and other trade barriers;

- longer payment cycles and difficulties in collecting accounts receivable outside India;
- challenges in staffing and managing foreign operations;
- limited or unfavourable intellectual property protection;
- risk of change in international political or economic conditions;
- restrictions on repatriation of earnings;
- fluctuations in the value of foreign currencies and interest rates;
- our ability to successfully execute partnership arrangements and arrangements with specialist physicians; and
- external risks such as natural disasters, inflation and other unfavourable economic conditions, political disturbances and outbreak of epidemics.

Such additional risks may adversely impact our business, financial condition and results of operations.

14. *The healthcare industry is subject to various laws and regulations. Our operations may be materially and adversely affected if we are unable to comply with such laws and regulations.*

The healthcare industry is subject to laws, rules and regulations in the regions where we conduct our business or in which we intend to expand our operations. For a description of the regulations to which we are subject, see “*Regulations and Policies*” on page 171. Given our diverse geographical presence and business segments, we are subject to various and extensive local law, rules and regulations relating, among other things, to:

- conduct of our business and operations generally;
- adequacy of medical care, including required ratios of nurses to hospital beds;
- quality of medical equipment and services;
- discharge of pollutants into the air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records; and
- the screening, stabilisation and transfer of patients who have emergency medical conditions.

Health and safety laws and regulations in India are becoming increasingly stringent in the recent years, and it is possible that they will become significantly more stringent in the future. For instance, the Indian Bio-Medical Waste Rules of 2011 introduced mandatory authorisation and annual reporting requirements for all establishments handling bio-medical waste.

In the fertility business, the proposed Assisted Reproductive Technology (Regulation) Bill of 2010 seeks to regulate surrogacy; prescribes registration requirements for clinics providing assisted reproductive services; prescribes additional obligations on fertility clinics which provide counselling to individuals opting for such procedures; and imposes record keeping obligations and stricter compliance norms with respect to procedures being carried out. In addition, regulatory agencies may also introduce newer stricter regulations that may prevent or restrict us from undertaking clinical trials.

We may incur substantial costs in order to comply with current or future laws, rules and regulations. These current or future laws, rules and regulations may also impede our operations. Any non-compliance with the applicable laws, rules and regulations may subject us to regulatory action, including penalties and other civil or criminal proceedings, which may materially and adversely affect our business, prospects and reputation.

15. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may materially and adversely affect our business and results of operations.*

Our operations, both in India and internationally, are subject to various laws and regulations relating to, among others, the procurement of large medical equipment and drugs, storage and sale of drugs, the pricing of medical services, the operation of medical equipment, the licensing and operation of our centres and hospitals and the licensing of our medical staff. Our business and growth prospects may be

constrained by such laws and regulations. Further, if we fail to comply with these laws and regulations, we could be required to make significant changes to our business and operations or suffer fines or penalties, including the potential loss of our business licences, the suspension from use of our medical equipment, and the suspension or cessation of operations at our centres and hospitals. The occurrence of such events may materially and adversely affect our business and results of operations.

We require certain approvals, licences, registrations and permissions to operate our business, including:

- environment approvals under the Air Act, Water Act, BMW Rules and HMW Rules;
- approvals from the Atomic Energy Regulatory Board for handling nuclear materials;
- medical related licences;
- fire related licences; and
- approvals under state regulations governing registration of healthcare facilities and establishment registrations.

While we currently possess all the relevant licences, approvals, registrations and permissions, there can be no assurance that the relevant authorities will renew these upon their expiry in the anticipated time-frame, or at all. Additionally, failure to comply with the terms of the licences may result in termination of the relevant licences such as licences related to the sale of drugs and the storage of human blood. If we are unable to obtain, renew or maintain the required approvals, licences, registrations and permissions, our operations at one or more locations may be interrupted, which may materially and adversely affect our business and results of operations. Additionally, some of the approvals to operate our HCG cancer centres are in the name of our partners. Failure by our partners to maintain the requisite licences could adversely affect our business operations. For instance, the Delhi Pollution Control Board had issued orders to our partner Shanti Mukund Hospital for the closure of its hospital, within the premises of which we operate our comprehensive cancer centre in Delhi, for non-compliance with BMW rules and certain other non-compliances. Although the Delhi Pollution Control Board has since revoked its order, there can be no assurance that such instances will not recur in the future.

16. *If we use hazardous materials in a manner that causes injury or accident, we could be liable for damages and our business, reputation and financial condition could be materially and adversely affected.*

Our operations involve the use of hazardous and flammable materials, including chemicals, radioactive and nuclear materials. Most of the radiation therapy and diagnostic imaging equipment we use contain radioactive and nuclear materials or emit radiation during operation. Radiation, radioactive materials and nuclear materials are extremely hazardous unless properly managed and contained. We generally contract with third parties for the disposal of these materials and wastes. However, we cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

17. *The loss of services of our senior management team and other Key Management Personnel could adversely affect our business and results of operations.*

We are highly dependent on our Promoters and the members of our senior management team, including some who have been with us since the establishment of the first cancer centre in our HCG network, to manage our current operations and to meet future business challenges. In particular, the active involvement of our Promoters in our operations and the services of our senior management and our Key Management Personnel have been integral to our development and business. The loss of the services of our senior management or Key Management Personnel, including our senior specialist physicians and physicians, could seriously impair our ability to continue to manage and expand our business.

18. ***If we are unable to keep abreast with technological changes, new equipment and service introductions, changes in patients' needs and evolving industry standards, our business and financial condition may be adversely affected.***

Our business is characterised by periodic technological changes, new equipment and service introductions, technology enhancements, changes in patients' needs and evolving industry standards. New equipment and services based on new or improved technologies or new industry standards can render existing equipment and services obsolete. To effectively serve our patients, we have to continually enhance and develop our equipment and technologies on a timely basis to satisfy the increasingly sophisticated requirements of the medical professionals providing healthcare services at our centres and hospitals. Further, as industry standards evolve, we may be required to enhance and develop our internal processes and procedures, as well as equipment and technologies, in order to comply with such standards and maintain the accreditations that we have received. Additionally, there may be significant advances in alternative treatment methods, which could reduce demand or even eliminate our existing services.

We cannot assure you that we will be able to procure the latest equipment and technologies at commercially suitable terms and in a timely manner or at all. We may also incur significant costs in replacing or modifying equipment in which we have already made a substantial investment before the end of its anticipated useful life. There can be no assurance that we will have sufficient funds to continually invest in such equipment and technologies on a timely basis, or at all. In the event that we are unable to keep abreast with the current trends and needs of our business, or that we lose any of our accreditations, we may lose our competitiveness and market share, which may adversely affect our amount of revenue generated, business and financial condition.

19. ***Our Company is subject to certain restrictions in setting up businesses in certain geographical regions which may affect our ability to expand our business operations in the future and could adversely affect our business and prospects.***

We enter into different types of partnership arrangements to set up new centres and hospitals, the terms of which restrict our ability to expand our business and operations. Pursuant to the terms of certain of our partnership arrangements, our Company is restricted from, or, in certain cases, required to obtain prior written approval for, undertaking or investing in competing businesses or entering into similar agreements with other parties in the geographical regions as our partners or our centres set up with such partners. For instance, under the terms of our shareholders agreement with AOPL, we are subject to limitations in opening cancer centres and other facilities in Gujarat. The shareholders agreement also obligates us to set up new cancer centres and undertake other investments in Gujarat through our joint venture entity with AOPL. AOPL also has pre-emptive and other rights in relation to any future investments by us in Gujarat.

Such restrictions on setting up new businesses in certain geographical areas may restrict our business and therefore, returns on your investment in our Company. Any breach of such restrictions could also result in monetary penalties on our Company, and our Company may be required to account for and pay all revenues and profits made from engaging in such businesses. For further information on these agreements, see “History and Certain Corporate Matters” on page 177.

20. ***We are subject to rights granted to our partners under various partnership arrangements and the exercise of such rights could materially and adversely affect our financial condition and results of operations.***

Certain of our partnership arrangements grant rights to our partners, which if exercised, could be detrimental to the interest of our Company. For instance, pursuant to our shareholders agreement with AOPL, AOPL is entitled to exercise a put option upon the earlier of, the occurrence of a material breach of the shareholders agreement by our Company or HCG Medi-Surge or on or after March 28, 2017. Further, pursuant to our shareholders agreement with BACC Healthcare and Dr. Kamini Rao, the latter has the option to exercise a put option with respect to her shareholding in BACC Healthcare, at any point in time from March 23, 2018 to March 21, 2021. The exercise of a put option by the shareholders of our Subsidiaries may require our Company to utilise its profit reserves to fund such purchase and this may affect our profitability and therefore our ability to declare dividends. See also, “Risk Factors – If BACC Healthcare's shareholder Kamini Rao exercises her put option, our business,

prospects, financial condition and results of operations could be adversely affected” on page 21.

Certain of our partnership arrangements also restrict our Company from divesting its shareholding in the centres or hospital set up pursuant to partnership arrangements until a specified time. Our partners also have a right of first refusal to buy our shares or to tag along if we decide to divest our shareholding in our centres or hospital. These restrictions on the transfer of our shareholding may hinder our exit from the relevant entities and impact our liquidity.

In addition, certain of our partners have veto rights in the management of our centres set up with them. These rights cover a wide range of subjects relating to the centres, including modification of business plans, approval of material agreements, consent for purchase of medical equipment and modification or improvement of the facilities. We cannot assure you that our partners will not exercise these rights. An exercise of such rights could materially and adversely affect our financial condition and results of operations. For further information on these agreements, see “*History and Certain Corporate Matters*” on page 177.

21. *We avail certain benefits under the EPCG Scheme, which may not continue to be available to us and we may be required to repay certain amounts to the Government of India if we do not meet our export obligations pursuant to the EPCG Scheme.*

Certain of our medical equipment have been imported under a licence pursuant to the EPCG Scheme. Under the terms of the licence, we are required to export goods and services amounting to ₹417.50 million by 2020.

We do not currently engage in any export activity apart from providing medical services to our international patients. If we fail to make the required exports within the specified time period under the EPCG Scheme, we will be required to make payment to the Government of India of an amount equivalent to the duty benefit enjoyed by us under the EPCG Scheme, together with a penalty amount. If we were to default on any currently outstanding export obligations, we could be subject to a payment obligation to the extent of the export commitment not fulfilled before the expiry of the licence, along with interest at the rate prevailing at the time of expiry of the licence.

If we are unable and are required to make payments of duty or interest to the Government of India in connection with benefits enjoyed by us under the EPCG Scheme, our results of operations and financial condition could be materially and adversely affected.

22. *Lack of health insurance in India may adversely affect our business, cash flows and results of operations.*

Penetration of health insurance in India is very low. Most indemnity plans under health insurance policies in India are designed so that the insured is responsible to pay out-of-pocket expenses to the healthcare providers and then file a claim to get reimbursed. This reimbursement policy favours wealthier patients. In contrast, the low income households are unable to afford the insurance premium or pay the medical fees up front. Furthermore, most health insurance policies in India cover only inpatient care costs. Consequently, higher out-of-pocket expenses related to healthcare in India may make healthcare unaffordable for lower income households. Due to the lack of viable health insurance policies in India, demand for our medical services may not increase as expected. Additionally, owing to the lack of penetration of health insurance in India, we may be unable to recover all or some of our trade receivables in a timely manner, or at all. As a result, our business, cash flows and results of operations could be materially and adversely affected.

23. *Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business.*

As of March 31, 2015, our total borrowings amounted to ₹3,486.68 million. The financing agreements governing certain of our debt obligations include terms that require us to maintain certain financial ratios and comply with certain reporting requirements; and restrict our ability to make capital expenditures, investments, declare dividends, merge with other entities, incur further indebtedness, incur liens on, or dispose of, our assets, undertake new projects, allow any Director on the Board of Directors who has been identified as a wilful defaulter, materially amend or terminate any material

contract or document and modify our capital structure. For instance, there are ongoing arbitration proceedings in respect of our partnership arrangement with Balabhai Nanavati Hospital. Termination of this partnership arrangement could potentially trigger an event of default under our facility agreement with Yes Bank Limited. Failure to comply with the terms of our financing agreements or obtain waivers for such non-compliances could result in an acceleration of the relevant debt, as well as a cross-acceleration of other debt, and payment of penal interest, which could adversely affect our liquidity, restrict our expansion plans and materially and adversely affect our business, cash flows and operations. Further, pursuant to our vendor financing arrangements, the lenders may recall the loans at any time if there is a change of control in our Company or terminate the loans if the assets for which financing have been obtained deteriorate in value. Further, as of March 31, 2015, a portion of our total borrowings, amounting to ₹1,298.26 million was unsecured. Our lenders may recall such unsecured borrowings at any time without reason and as a result of which, our business, financial condition, cash flow and results of operations could be materially and adversely affected.

In addition, a portion of our real property and medical equipment is subject to security interests pursuant to our financing agreements, including mortgages, pledges, liens and other encumbrances. In the event that a lender seeks to invoke such security, our business, cash flows and results of operations may be materially and adversely affected. For further details on our borrowings, see “*Financial Indebtedness*” on page 222.

Our level of indebtedness could have other important consequences, including:

- requiring us to dedicate a substantial portion of our operating cash flows to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to healthcare providers that have less debt;
- making it more difficult for us to satisfy our obligations with respect to our debt;
- increasing our vulnerability to general adverse economic and industry conditions;
- restricting our ability to refinance our debt on commercially reasonable terms, or at all;
- limiting our flexibility in planning for, or reacting to, changes in our businesses;
- limiting our ability to borrow additional funds or to sell or transfer assets in order to fund future working capital, capital expenditures, any future acquisitions, research and development and technology processes and other general business requirements; and
- adversely affecting our business, results of operations and financial condition, if we are unable to service our debt or comply with the various covenants.

24. *We may require additional funding to finance our operations, which may not be available on terms acceptable to us, or at all, and if we are able to raise funds, the value of your investment in us may be negatively impacted.*

We operate in a capital intensive industry and require additional funding to finance our operations and growth strategies. Sources of additional financing may include commercial bank borrowings, vendor financing, or the sale of equity or debt securities. There can be no assurance that we will be able to obtain any additional financing on terms acceptable to us, or at all. The cost of raising capital is high and any additional funding we obtain may strain our cash flows and financial condition.

Our ability to raise additional financing in the future is subject to a variety of uncertainties, including but not limited to:

- our future financial condition, results of operations and cash flows;
- general market conditions for debt financing and capital raising activities; and
- economic, political and other conditions in India.

Additionally, our Company undertakes its operations through step down LLPs. The RBI prohibits foreign investment in LLPs either directly or indirectly, through an Indian company (regardless of the nature of ownership or control of that company in the LLP) without the FIPB's prior approval. Given

these restrictions on indirect foreign investments, we may be unable to raise capital from foreign investors for our operations through our LLPs. Further, in the event that foreign investment in our Company exceeds 50% of our total share capital, and our company becomes a foreign owned or controlled company as per the applicable foreign exchange regulations, any downstream investment in our LLPs would be subject to the same restrictions as are applicable to foreign investments in LLPs and we would require the FIPB's prior approval.

Furthermore, if we raise additional funds through equity or equity-linked financing, your equity interest in our Company may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with any of the covenants thereunder, we could be in default under such debt obligations and our liquidity and financial condition could be materially and adversely affected.

25. ***Our Company has provided guarantees in relation to certain loans obtained by our Subsidiaries. In the event of any default by our Subsidiaries, such guarantees may be invoked against our Company, which could materially and adversely affect our financial condition and cash flows.***

Our Company has provided corporate guarantees in relation to certain loans and financial facilities obtained by our Subsidiaries, amounting to ₹181.26 million as at March 31, 2015, from various banks and financial institutions. In addition, we have provided a guarantee amounting to ₹8.50 million to NCHRI, our partner for our proposed comprehensive cancer centre at Nagpur. In the case of defaults by such Subsidiaries in meeting their obligations under the loans and financial facilities, including their repayment obligations, the guarantees may be invoked against our Company. Consequently, we may be required to undertake the obligations of the relevant Subsidiaries in relation to the relevant loan or financial facility, which could materially and adversely affect our financial condition and cash flows. For further details on guarantees provided by our Company, see “Financial Indebtedness” on page 222.

26. ***If we fail to achieve favourable pricing on medical equipment, drugs and consumables or are unable to pass on any cost increases to our payers, our profitability could be materially and adversely affected.***

Our profitability is susceptible to the cost of medical equipment, drugs and consumables. The complex nature of the treatments and procedures we perform at our HCG cancer centres requires us to invest in technologically sophisticated equipment. Such equipment is generally very expensive and forms a major component of our annual capital expenditure. Additionally, for Fiscal Years 2015, 2014 and 2013, cost of consumption of drugs and consumables (comprising our expenses related to purchases of stock-in-trade and changes in inventories of stock-in-trade) formed a substantial part of our expenses representing 28.24%, 27.71% and 29.51%, respectively of our total expenses.

Our profitability is affected by our ability to achieve favourable pricing on our medical equipment, drugs and consumables from our vendors, including through negotiations for vendor rebates, as well as other vendor financing received with respect to our medical equipment in the normal course of business. Because these vendor negotiations are continuous and reflect the ongoing competitive environment, the variability in timing and amount of incremental vendor discounts and rebates can affect our profitability. These vendor programmes may change periodically, potentially resulting in higher cost of medical equipment, drugs and consumables and adverse profitability trends, if we cannot adjust our prices to accommodate such increase in costs. Further, such increased costs may negatively impact our ability to deliver quality care to our patients at competitive prices, or at all. If we are unable to adopt alternative means to deliver value to our patients, our revenue and profitability may be materially and adversely affected.

We may be unable to anticipate and react to the increase in cost of medical equipment, drugs or consumables in the future, or may be unable to pass on these cost increases to our payers, which could materially and adversely affect our profitability.

27. ***The objects of the Offer have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to all of our objects of the Offer. Consequently, any increase in the actual deployment of funds may cause an additional burden on our finance plans.***

The fund requirement mentioned as a part of the objects of the Offer is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

Further, we have not entered into any definitive agreements to utilise the funds allocated for certain of our objects of the Offer, including the purchase of medical equipment and certain of our information technology related software; and our actual expenditure in purchasing such equipment and software could be higher than our management estimates. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

Because our Fresh Issue size is less than ₹5,000 million, we are not required to appoint a monitoring agency under the SEBI ICDR Regulations. Hence, the deployment of the Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Additionally, various risks and uncertainties, including those set out in this “*Risk Factors*” section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business. Furthermore, pursuant to Section 27 of the Companies Act of 2013, any variation in the objects of the Offer would require a special resolution of our Shareholders, and our Promoters or controlling Shareholders will be required to provide an exit opportunity to our Shareholders who do not agree to such variation. If our Shareholders exercise such an exit option, our business and financial condition could be materially and adversely affected.

28. *One of our BRLMs, Yes Bank, has other associations with the Company and shall benefit from the Objects of the Offer.*

Our Company has other associations with our BRLM, Yes Bank. Yes Bank is a banker to our Company. For further details, see “*General Information*” on page 65. Yes Bank has also been a lender to our Company and our Company proposes to pre-pay certain of such borrowings through the Net Proceeds. For further details, see “*Objects of the Offer*” on page 110.

29. *Leases for land and/or buildings on which some of our HCG cancer centres, our Milann fertility centres and our corporate office are located may not be renewed; and certain underlying lease deeds are not adequately stamped or registered, and consequently, we may lose possession of these properties and related buildings and other improvements.*

A majority of our HCG cancer centres, our Milann fertility centres and our corporate office are located on land and/ or in buildings which have been obtained on lease from third parties. Some of these leases are for fixed terms that expire between 11 months and 30 years.

Any use of the leased land and buildings pursuant to the lease deeds will have to be in compliance with the terms and conditions contained in such lease deeds. The lessors may terminate the leases in the event of breach of the terms of the lease deeds, including delay in payment or non-payment of rent, usage of the property other than for the purposes for which it has been leased, or on the transfer, assignment or mortgage of the land or the clinical establishments situated thereon in breach of the terms of the lease deeds. Additionally, the terms of certain lease deeds impose non-compete obligations, as well as other liabilities and obligations on us, and may require us to obtain prior consent of the lessor to remove any existing fixtures at our centres or upgrade our facilities. If any of these leases is terminated or expires and is not renewed, we may be unable to continue operations at our centre or hospital located at the relevant site, and we could lose our investments, including the buildings, any leasehold improvements, equipment or other fixtures located at such site.

Furthermore, certain of our leases are not adequately stamped or registered. Failure to stamp a document does not affect the validity of the underlying transaction but renders the document inadmissible in evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the

relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

30. ***Our business may be adversely affected by fluctuations in the value of Indian Rupees as a significant portion of our capital expenditure relates to the purchase of medical equipment and consumables priced in U.S. dollars. Going forward, we will also incur revenue and expenditure in currencies other than Indian Rupees, as a result of which, any volatility of Indian Rupees against such foreign currencies may affect our results of operations and cash flows.***

A significant portion of our capital expenditure relates to the purchase of medical equipment and consumables from manufacturers and distributors outside India. The price of such equipment and consumables is denominated almost exclusively in U.S. dollars. As at March 31, 2015, we had ₹645.50 million (representing U.S.\$ 10.31 million) in outstanding loans from various equipment vendors which was denominated in U.S. dollars. Further, we intend to utilise a portion of the Net Proceeds to purchase medical equipment, the payment for which will be made in U.S. dollars. Consequently, any depreciation in the value of Indian Rupees against U.S. dollars could cause a significant increase in our capital expenditure, reduce the profitability of our business and have a material and adverse effect on our cash flows, results of operations and financial condition.

Going forward, we will also incur revenues and expenditure in foreign currencies owing to the expansion of our business into Africa. As a result, a decline in the value of Indian Rupees against such foreign currencies may decrease the value of revenues generated by our overseas operations upon consolidation, and increase the Indian Rupee cost to us of servicing and repaying our foreign currency payables. We may also be unable to pass on any increase in our costs due to foreign currency fluctuations to our payers, and as a result, our revenue and profitability may decline. We currently do not have any foreign currency hedging arrangements and as a result, any unfavourable fluctuation of the Indian Rupee will materially and adversely affect our results of operations, financial condition and cash flows.

31. ***We rely on third party suppliers and manufacturers for our equipment, reagents and drugs. Failure of such third parties to meet their obligations could adversely affect our business and results of operations.***

We source our equipment, reagents and drugs from third party suppliers under various arrangements. Any failure to procure such equipment, reagents or drugs on a timely basis, or at all, from such third parties and on commercially suitable terms, could affect our ability to provide our services. Certain of our medical equipment are also procured under lease agreements. Under some of these agreements, the supplier generally has the discretion to terminate the agreement with a specified period of notice in the event of a breach of any term or condition of the agreement, including but not limited to default in payment of the applicable fee. Any such termination and consequent removal of the installed equipment may adversely affect our operations.

In addition, manufacturers may discontinue or recall equipment, reagents or drugs used by us, which could adversely affect our ability to provide our services, and therefore, could adversely affect our business and results of operations.

We also rely on a limited number of equipment vendors exclusively to carry out repairs and maintenance of our equipment. Our dependence on a limited number of service providers exposes us to risks of delays or inability in carrying out repairs and maintenance of equipment. We may also be unable to find alternative service providers in time, or at all, and at a suitable cost. Any such delay or inability could cause disruptions in our operations and adversely affect our business, financial condition and cash flows.

32. ***We may be subject to liabilities arising from claims of malpractice and medical negligence which could materially and adversely affect our reputation and prospects.***

We are exposed to the risk of legal claims and regulatory actions arising out of the medical services provided by us as well as by our partners. Additionally, we rely on our physicians and other healthcare staff at our centres and hospitals to make proper clinical decisions regarding the diagnosis and treatment of our patients. However, we do not have direct control over the clinical activities of our

physicians and other healthcare staff, as their diagnoses and treatments of patients are subject to their professional judgement, and in most cases, must be performed on a real time basis. Any incorrect clinical decisions or actions on the part of our physicians and other healthcare staff or any failure by us to properly manage their clinical activities may result in unsatisfactory treatment outcomes, patient injuries or possibly patient death. Current or former patients or their families may commence or threaten litigation for medical negligence or malpractice against us. If such claims succeed, we may become liable for damages and other financial consequences and may even be exposed to criminal liability, which may materially and adversely affect our reputation, financial condition and results of operations.

Additionally, our clinical trials may cause unforeseen adverse side effects resulting in personal injury, sickness or death of patients participating in such trials. Many of our clinical trial participants are already suffering from side effects and are at heightened risk of future illness or death. We could be held liable and may be required to pay damages, for errors or omissions in connection with the services we perform with respect to such clinical trials, or for the general risks associated with our clinical trials, including, but not limited to, adverse reactions to the administration of drugs. Additionally, our clinical trials may also be the focus of negative publicity from special interest groups that oppose clinical trials on ethical grounds.

In addition, the reputational consequences of any claims may materially and adversely affect our business, reputation and operations. Regardless of their validity, negative publicity arising from such claims may tarnish our professional standing and market reputation and/ or that of the physicians and other healthcare staff involved, and may affect the number of new patients registered and treated, and the amount of revenue generated, by us.

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

At present, our internal control and compliance records are maintained manually which may be subject to transcription errors or manipulation. In the absence of an automated system to manage our internal control and compliance records, we have had instances in the past of our billing personnel not adhering to our pricing policies and providing unapproved discounts, erroneously recognising excess revenue above the respective limits set out under our third party payer agreements, as well as delays in claiming reimbursements from government payers. For instance, during Fiscal Year 2014, we reversed excess revenue amounting to ₹54.46 million which were erroneously recognised due to not restricting the revenue recognition to the respective limits set out in the third party payer agreements. Further, some of our records may not be archived properly and as a result, we may not have back-ups for our records, and such records may also be susceptible to theft or destruction by fire and floods. We intend to move towards an automated system and implement several information technology initiatives, including replacing our existing hospital management system with a centralised electronic hospital management system. In the event that we fail to successfully digitise our records and move towards an automated system, our business operations may be adversely affected.

In addition, we currently do not have adequate internal controls and compliances for identifying and managing situations involving money laundering, bribery, fraud and corruption. If we are unable to establish and maintain an effective system of internal controls and compliances to monitor and manage such situations, our business and reputation could be adversely affected.

34. *We are vulnerable to failures of our information technology system, which could adversely affect our business.*

Our information technology system is critical to our business as it helps us manage clinical systems, medical records, financial records and inventory. We are in the process of streamlining our information technology system in order to create efficiencies and provide quality care to our patients. Our planned information technology infrastructure will be based on a private cloud-computing system and will encompass various centralised information systems. For further details on our planned information technology infrastructure, see “Objects of the Offer” on page 110.

Any technical failures associated with our information technology system, including those caused by geographical difficulties, power failures and computer viruses and other unauthorised tampering may

impair our ability to provide services to our patients. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in our treatment of patients, and could result in damage to the welfare of our patients. Further, any failure of the centralised systems could materially and adversely affect the operation of all of our centres and hospitals. We may also be subject to liability as a result of any theft, loss, unauthorised disclosure or misuse of confidential, sensitive and/ or personal information stored on our systems. The management of our information technology system is generally outsourced to third party vendors and we have limited control over such vendors. Accordingly, any failure by such third party vendors to adequately secure or manage our information and systems may adversely affect our operations. Further, any discontinuation of existing products and services by these vendors, which we rely on, could adversely affect our business and operations.

35. *We are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.*

There are outstanding legal proceedings against and initiated by our Company, certain Subsidiaries, our Promoters, our Directors, and certain Group Entities, that are incidental to our business and operations, including criminal proceedings, tax proceedings and certain medical negligence claims. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals.

Brief details of outstanding litigation that have been initiated by and against our Company, our Promoters, our Directors, our Subsidiaries and our Group Entities (as applicable) are set forth below:

Nature of Cases	Number of Cases	Total Amount Involved
Proceedings against our Company		<i>(₹ in millions)*</i>
Civil	8	2.69
Criminal	1	-
Tax	14	33.48
Total	23	36.17
Proceedings by our Company		
Civil	27	36.35**
Criminal	5	5.91
Tax	-	-
Total	32	42.26
Proceedings against our Promoters		
Civil	2	1.70
Criminal	2	-
Tax	1	-
Total	5	1.70
Proceedings against our Directors		
Civil	-	-
Criminal	1	-
Tax	-	-
Total	1	-
Proceedings by our Directors		
Civil	-	-
Criminal	1	-
Tax	-	-
Total	1	-
Proceedings against BACC Healthcare		
Criminal	1	-
Civil	3	-
Tax	-	-
Total	4	-
Proceedings against HCG Medi-Surge		
Criminal	-	-
Civil	4	1.96
Tax	2	-
Total	6	1.96
Proceedings by HCG Medi-Surge		
Criminal	4	0.26
Civil	2	0.49

Nature of Cases	Number of Cases	Total Amount Involved
Proceedings against our Company		(₹ in millions)*
Tax	-	-
Total	6	0.75
Proceedings against HCG Senthil		
Criminal	-	-
Civil	-	-
Tax	2	15.94
Total	2	15.94
Proceedings against our Group Entities		
Criminal	-	-
Civil	-	-
Tax	2	-
Total	2	-

*The amounts indicated are approximate amounts, wherever quantifiable.

**Includes U.S.\$0.3 million converted at the rate of U.S.\$1 = ₹ 62.31

For further details, see “Outstanding Litigation and Material Developments” on page 277.

We cannot assure you that any of these matters will be decided in favour of our Company, our Subsidiaries, Promoters, Directors, and Group Entities, or that no additional liability will arise out of these proceedings. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse judgment in any of these proceedings, individually or in the aggregate could adversely affect our business, reputation and cash flows.

36. *We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation.*

Maintaining and enhancing the reputation associated with our intellectual property is integral to our success. For example, we currently do not own the trademark to the phrase, “specialist in cancer care” that we use in conjunction with our logo. We also do not own the trademarks “HCG HOSPITALS” and “TRIESTA SCIENCES”. Consequently, an infringement of such intellectual property rights, for which we may not have recourse, may adversely affect our reputation and thereby, our business. Our failure to protect our intellectual property rights may also undermine our marketing efforts and result in harm to the growth of our business.

In addition, we cannot assure you that we will be able to obtain, maintain, protect or enforce patent rights, or protect confidential and proprietary information, in relation to the clinical trials or the research and developments activities we undertake, for various reasons. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if a competitor independently developed any such information, our competitive position could be harmed.

Furthermore, we cannot be certain that the equipment vendors, from whom we purchase equipment, have all requisite third party consents and licences for the intellectual property used in the equipment they manufacture. As a result, those equipment vendors may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties. If a court determines that any equipment we have purchased from our equipment vendors infringes the intellectual property rights of any third party, we may be required to pay damages to such third party and may be prohibited from using such equipment, either of which could damage our reputation and could have a material adverse effect on our business and results of operations.

37. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business and revenues.*

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, chemical, hazardous, radioactive or nuclear materials. Further, while we have procured professional indemnity insurance for our physicians and other healthcare staff, there is no certainty that such insurance will be adequate to satisfy all the claims

arising from medical negligence or malpractice. Additionally, although pursuant to the terms of the medical consultancy contracts with our specialist physicians, such specialist physicians are required to obtain professional indemnity insurance, some of our specialist physicians do not maintain such insurance. As a result, any successful claims against us in excess of the insurance coverage may adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects. Insurance against losses of this type can be expensive and insurance premiums may increase in the near future. Insurance rates may also vary by speciality and other factors. The rising costs of insurance premiums could have a material adverse effect on our financial position and results of operations.

Additionally, although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to radiation injuries to our employees in our workplace, including those resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities.

We also do not maintain any business interruption insurance. We have in the past experienced business disruptions due to a strike by the nursing staff at our centre of excellence in Bengaluru. Any business disruption could result in substantial expenses, diversion of resources and could have a material adverse effect on our business, financial condition and results of operations.

38. *We have in the past recognised goodwill impairment and may do so in the future. Our financial results may suffer if we have to write off goodwill or other intangible assets in the future.*

In Fiscal Year 2014, we made provision for impairment in goodwill amounting to ₹4.63 million, on account of write down of assets as a result of discontinuation of operations of our HCG cancer centre at Erode, Tamil Nadu. We may not realise the value of our goodwill or other intangible assets. We expect to engage in additional transactions that will result in our recognition of additional goodwill or other intangible assets. We evaluate on a regular basis whether events and circumstances have occurred that indicate that all or a portion of the carrying amount of goodwill or other intangible assets may no longer be recoverable, and is therefore impaired. Under the current accounting rules, any determination that impairment has occurred, would require us to write off the impaired portion of our goodwill or the unamortised portion of our intangible assets, resulting in a charge to our earnings. We have written off goodwill in the past, and any future write-off could have a material adverse effect on our financial condition and results of operations.

39. *We have entered into, and will continue to enter into, related party transactions.*

We have various transactions with related parties, including Key Management Personnel, their relatives and entities in which Key Management Personnel and their relatives can exercise significant influence. These related party transactions include, among others, sale of pharmacy products and consumables, medical services rendered, loans and advances, security deposits, proceeds from allotment of shares, trade receivables, rent received and payment of remuneration. For further details of our related party transactions, see “Financial Statements – Consolidated Statement of Transactions and Balances with Related Parties, as Restated” on page F-56.

Additionally, for details on the interests of our Promoters, Directors and Key Management Personnel, other than reimbursement of expenses incurred, normal remuneration or benefits, please see “Our Management” and “Our Promoters” on pages 193 and 210, respectively. These transactions may involve conflicts of interests, which may be detrimental to our Company. We cannot assure you that such transactions could not have been made on more favourable terms with unrelated parties.

We believe that all such transactions have been conducted on an arm's length basis. However, in the event that obligations owed to us arising from such transactions are not fulfilled, either individually or in aggregate, our business and financial condition and/ or results of operations may be adversely affected. Any transactions we have entered into or may enter into in the future with a related party could result in conflicts of interests that are detrimental to our Company. We will continue to enter into related party transactions in the future, in the normal course of business, which may adversely affect our business, financial condition, results of operations, cash flows and prospects.

- 40. *Our Company relies on its Subsidiaries to generate earnings, and any decline in the earnings of the Subsidiaries or their ability to pay dividends to our Company could materially and adversely affect our Company's earnings and cash flows.***

Currently, our Company conducts a portion of its operations through its Subsidiaries. During Fiscal Years 2015, 2014 and 2013, our Subsidiaries contributed to 21.52%, 24.41% and 15.59% respectively of our total revenue. Further, a portion of our Company's assets is held by, and a part of its earnings and cash flows is attributable to, our Subsidiaries. If earnings from our Subsidiaries were to decline, our Company's earnings and cash flows would be materially and adversely affected. We cannot assure you that our Subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable our Company to meet its obligations, pay interest and expenses or declare dividends.

- 41. *We have experienced negative cash flows in the prior years.***

We have experienced negative cash flows in the recent past, including net cash used in investing activities amounting to ₹797.12 million, ₹116.03 million and ₹1,970.13 million, respectively for Fiscal Years 2015, 2014 and 2013 primarily on account of purchase of medical equipment, expenditure on land and buildings, leasehold improvements, capital-work-in progress relating to our comprehensive cancer centres under development, and investment in subsidiaries; and net cash flow used in financing activities amounting to ₹268.51 million for Fiscal Year 2014 on account of repayment of borrowings and finance costs. For further details, see “*Management's discussion and analysis of financial condition and results of operations – Liquidity and Capital Resources*” and “*Financial Statements*” on pages 271 and F-1, respectively. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

- 42. *If we fail to adhere to the RBI regulations or other regulatory norms, we may be subject to penalties affecting our business and financial condition.***

We are required to adhere to certain periodic reporting obligations and compliances as specified under various laws, including regulations prescribed by the RBI. In the past, our Company has failed to adhere to statutory prescribed timelines in respect of filing limited liability partnership agreements with the ROC and reporting grant of employee stock options to non-residents to the RBI. Further, our Company does not possess the form filings made in relation to the increase in authorised share capital on November 8, 2002. Our Company has filed a compounding application to the RBI for failing to comply with certain reporting and compliance requirements prescribed under the RBI regulations on external commercial borrowings and trade credits. The application is currently pending. In the event that we are unable to comply with the regulatory requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI, including the levy of fines or penalties. Any such action may adversely affect our business, prospects, results of operations, financial condition and the trading price of the Equity Shares.

- 43. *Some of our Group Entities operate in the same line of business as us, which may lead to competition with such Group Entities.***

Some of our Promoters are involved in ventures which are in the same line of business as our Company. We may hence have to compete with our Group Entities for business, which may impact our business, financial condition and results of operations. The interests of our Promoters may also conflict in material aspects with our interests or the interests of our Shareholders. For further details, see “*Our Group Entities*” on page 214.

- 44. *We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities materialises.***

Our contingent liabilities as of March 31, 2015 amounted to ₹54.84 million and included provisions for income tax, service tax and claims on VAT, which are subject to appeal. If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. For further details on our contingent liabilities, see “*Financial Statements – Consolidated Statement of Contingent Liabilities*” on page F-20.

45. ***We may be subject to labour unrests, slowdowns and increased wage expenses which could materially and adversely affect our business, financial condition and results of operations.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of labour unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment of employees. Our employees are not unionised, and in the event that employees at our centres and hospitals seek to unionise, our costs may increase and our business could be adversely affected. In the past, there has been an instance of work-stoppage and strike at our centre of excellence in Bengaluru by the nursing staff. Occurrence of such strikes and work-stoppage in the future will adversely affect our reputation, business, financial condition and results of operations. For further details, see “History and Certain Corporate Matters” on page 177.

46. ***We do not have documentary evidence for certain details in relation to source of funds of our Promoters and certain details of our Directors included in the sections “Capital Structure” and “Our Management”, respectively in this Draft Red Herring Prospectus.***

We do not have documentary evidence for certain details in relation to source of funds of our Promoters included in “Capital Structure” on page 74. The details included in this section is based on the details provided by our Promoters. Such details are supported by certificates and affidavits executed by the relevant Promoters certifying the authenticity of the information provided. We cannot assure you that all the details in relation to our Promoters included in this section are true and accurate.

47. ***Certain of our Group Entities have incurred losses in the past, which may have an adverse effect on our reputation and business.***

Certain of our Group Entities have incurred losses during Fiscal Years 2013 and 2014, as set out below.

Name of the Group Entity	Loss for the year ended March 31,	
	2013	2014
	(₹ in millions)	
GMH LLP	-	2.70
SSHDUA	314.91	374.88
KDCPL	0.01	0.02

For further details on our Group Entities, see “Our Group Entities” on page 214.

There can be no assurance that our Group Entities will not incur losses in the future. Any losses incurred by our Group entities may have an adverse effect on our reputation and business.

EXTERNAL RISK FACTORS

Risks related to India

48. ***Acts of terrorism and other similar threats to security could adversely affect our business, financial condition, cash flows and results of operations.***

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, military actions, civil unrests or other acts of violence or war in India, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations. These events have had and may continue to have an adverse impact on the global economy and consumer confidence and spending in particular, which could in turn adversely affect our revenue, results of operations and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of the Equity Shares and may limit the capital resources available to us.

49. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Headline inflation in India, measured by consumer price index increased from 5.01% in May 2015 to

5.40% in June 2015. (Source: Government of India, Ministry of Statistics and Programme Implementation) Continued high rates of inflation may increase our expenses related to procurement of drugs, consumables and equipment, salaries or wages payable to our employees, professional fees payable to our specialist physicians, or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

50. *Natural disasters could have a negative impact on the Indian economy and damage our centres and hospitals.*

Natural disasters such as floods, earthquakes, cyclones, famines or the spread of any pandemic diseases have in the past had a negative impact on the Indian economy. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity and business information. In the event that our centres and hospitals are affected by any of these factors, our operations may be significantly disrupted, which may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

51. *Political instability or a change in economic liberalisation and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalisation could change, and specific laws and policies affecting the healthcare sector, foreign investment and other matters affecting investment in the Equity Shares could change as well. A change in government policies, in particular liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business, prospects, financial condition and results of operations in particular.

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

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or financial policy or a decrease in India's foreign exchange reserves.

According to the RBI, India's total foreign exchange reserves were over U.S.\$ 354 billion as of July 3, 2015. India's foreign exchange reserves have grown consistently in the past. For instance, India's foreign exchange reserves have grown from U.S.\$ 292.65 billion as of March 29, 2013 to U.S.\$ 303.67 billion as of March 28, 2014 and to U.S.\$ 341.38 billion as of March 27, 2015. (Source: Reserve Bank of India) However, any decline in foreign exchange reserves could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares and could result in a downgrade of India's debt ratings.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business and future financial performance and our ability to obtain financing to fund our growth, as well as the trading price of the Equity Shares.

53. *Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition.*

Our financial statements, including the restated financial information included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the

financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or U.S. GAAP. IFRS and U.S. GAAP differ in significant respects from Indian GAAP.

Public companies in India, including our Company, are required to prepare annual and interim financial statements under Ind AS. On February 16, 2015, the MCA issued the Indian Accounting Standard Rules which became effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in the financial year 2015, and implementation of Ind AS will be applicable from April 1, 2016 to companies which are listed on stock exchanges and have a net worth of ₹5,000 million or more, and from April 1, 2017 to all listed companies and unlisted companies having a net worth of less than ₹5,000 million. Accordingly, our Company may have to convert its opening balance sheet as on April 1, 2016 in accordance with Ind AS. Further, our Company may be required to convert its balance sheet as on April 2015 in accordance with Ind AS for preparing comparable financial statements for the previous year. In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind AS and under Indian GAAP or IFRS. When our Company adopts Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operations or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operations of our Company.

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

54. *There may be less information available in the Indian securities market than in more developed securities markets in other countries.*

There is a difference between the level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed countries, which could adversely affect the market for the Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operations on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

55. *Investors in the Equity Shares may be unable to enforce a judgment of a foreign court against us.*

Our Company is a limited liability company incorporated under the laws of India. A majority of our Directors and our Key Management Personnel are residents of India. A substantial portion of our Company's assets and the assets of its Indian resident Directors and executive officers are located in India. As a result, it may be difficult for investors to effect service of process upon, or to enforce judgments obtained against, our Company or such persons outside India. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Civil Code and thus a judgement of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgement 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 enforceable in India. Even if an investor obtained a judgement in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgement is rendered, may bring a fresh suit in a competent court in India, based on a final judgement that has been obtained in a non-reciprocating territory, within three years of obtaining such final judgement. It is unlikely that an Indian court would award damages on the same basis, or to the same extent, as was awarded in a final judgement rendered by a court in another jurisdiction, if the Indian court believes that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgement.

56. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.*

A majority of the provisions and rules under the Companies Act of 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act of 1956 ceasing to have effect. The Companies Act of 2013 has brought into effect significant changes to the Indian company law framework, such as to the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading, and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilised for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act of 2013, which include, *inter alia*, our Company, Directors and Key Management Personnel being subject to such penalties and formal actions, as prescribed thereunder, for our failure to ensure compliance within the prescribed timelines. Any such penalties or formal actions could also affect our reputation.

To ensure compliance with the requirements of the Companies Act of 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act of 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act of 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act of 2013 differs from, or contradicts, any judicial

pronouncements or clarifications issued by the Government of India in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act of 2013 overlap with other existing laws and regulations, such as the corporate governance norms and insider trading regulations. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act of 2013 which are yet to come into force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

57. *Our business and activities may be regulated by the Competition Act of 2002.*

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

Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits the abuse of 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 be guilty of the contravention and liable to be punished.

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that the acquisition of shares, voting rights, assets or control, or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations of 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

The applicability or interpretation of the Competition Act in relation to any merger, amalgamation or acquisition proposed by us cannot be predicted with certainty at this stage, and any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act may adversely affect our business, financial condition and results of operations.

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

Our business and financial performance could be adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to us and our business. For details of the laws currently applicable to our Company, see “*Government and Other Approvals*” on page 290.

The governmental and regulatory bodies in India may notify new regulations and/ or policies, which may require us to obtain approvals and licences from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to what we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations.

The Government of India has proposed the introduction of DTC to revamp the implementation of direct taxes. If the DTC is notified and becomes applicable, the tax impact discussed in this Draft Red Herring Prospectus may not accurately reflect the provisions of the DTC. In addition, the application of

various Indian and international sales, value-added and other tax laws, rules and regulations to our services, currently or in the future may be subject to interpretation by applicable authorities, and if amended/ notified, could result in an increase in our tax payments (prospectively or retrospectively) and/ or subject us to penalties, which could affect our business operations. Further, the Government of India has proposed a comprehensive national GST regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning GST, we are unable to provide any assurance as to the tax regime following implementation of GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

In addition, health services, though taxable, were exempt from service tax pursuant to the Exemption Notification No. 30/2011, published by the Ministry of Finance (Department of Revenue) dated April 25, 2011. This notification exempts a “clinical establishment”, being a service provider of “health services”, from the payment of any service tax. The scope and the meaning of “clinical establishment” and “health services” could be a matter of legal interpretation by tax authorities, which may create uncertainty. There may be instances where the Indian tax authorities may challenge the benefit of this notification and may not allow the service tax exemption in respect of “clinical establishments”. This may arise due to a number of reasons, including (i) adverse interpretation of legal provisions, (ii) non-qualification as a “clinical establishment”, and (iii) services provided not being qualified as “health services”. In the event that the benefit of the notification is not available, service tax would be levied on the service fees received by our centres and hospitals for the period prior to July 16, 2015, together with interest on the service tax payable and applicable penalties. As a result, our business and results of operations may be adversely affected.

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

59. *The requirements of being a listed company may strain our resources.*

We are not a listed company, and have not historically been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Equity Listing Agreements with the Stock Exchanges which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations, and/ or we may be unable to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

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

Risks related to the Equity Shares

60. *The interests of our Promoters may conflict with us and our Shareholders.*

After the completion of the Offer, our Promoters will own approximately 23.09% of our post-Offer paid-up equity share capital. As a result, our Promoters will continue to exercise significant control

over us, including being able to determine the outcome of Director elections and decisions requiring a majority of the total voting power of our Shareholders. The interests of our controlling Shareholders may conflict in material aspects with our interests or with the best interests of our other Shareholders, and our controlling Shareholders may not take decisions in our best interests.

61. *The trading price of the Equity Shares may be subject to volatility and you may be unable to sell your Equity Shares at or above the Offer Price.*

Prior to the Offer, there has been no public market for our Company's Equity Shares. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after the Offer. Further, the Offer Price of the Equity Shares will be determined by us in consultation with the BRLMs and the Investor Selling Shareholders through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 118, and may not be indicative of the trading price for the Equity Shares after the Offer. The trading price of the Equity Shares could be subject to significant fluctuations after the Offer, and may be highly volatile. Factors affecting the trading price of the Equity Shares include:

- variations in our results of operations;
- recruitment or departure of Key Management Personnel;
- favourable or unfavourable reports by a section of the media concerning the healthcare industry in general, or in relation to our business and operations;
- changes in the estimates of our results of operations or changes in recommendations by any securities analysts that elect to research and report on the Equity Shares;
- market conditions affecting the economy as a whole; and
- adoption or modification of regulations, policies, procedures or programmes applicable to our business.

In addition, if the stock markets experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition, cash flows or results of operations. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in the same business even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of the Equity Shares.

62. *We have issued Equity Shares during the last one year at prices that may be below the Offer Price.*

During the last one year, we have issued Equity Shares at prices that may be below the Offer Price, as set out in the table below:

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Offer price (in ₹)	Nature of Consideration	Reason for Allotment	Allottees
August 27, 2014	579,948	10.00	-	Other than cash	Allotment consequent to the transfer of the multi-speciality division of HCG Medi-Surge to our Company	Aastha Oncology Private Limited
November 12, 2014	695,249	10.00	86.30	Cash	Conversion of warrants	Dr. BS Ajai Kumar
March 25, 2015	463,499	10.00	86.30	Cash	Conversion of warrants	Dr. BS Ajai Kumar
April 9, 2015	46,836	10.00	86.30	Cash	Conversion of warrants	Dr. BS Ajai Kumar
April 9, 2015	144,182	10.00	110.68	Cash	Conversion of warrants	Dr. BS Ajai Kumar
April 10, 2015	846,760	10.00	-	Other than cash	Allotment pursuant to the amalgamation of HCG Vijay with our Company	Dr. M Gopichand
May 29,	882,267	10.00	10.00	Cash	Allotment pursuant to ESOP	See “ <i>Capital Structure</i> ” on

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Offer price (in ₹)	Nature of Consideration	Reason for Allotment	Allottees
2015					2010	page 74.
June 26, 2015	759,323	10.00	110.68	Cash	Conversion of warrants	Dr. BS Ajai Kumar
June 26, 2015	176,800	10.00	10.00	Cash	Allotment pursuant to ESOP 2010	See “ <i>Capital Structure</i> ” on page 74.

63. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Unless specifically exempted, capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the Equity Shares. However, capital gains on the sale of the Equity Shares purchased in the Offer by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries. For further information, see “*Statement of tax Benefits*” on page 121.

64. *Future issuances or sales of the Equity Shares by any existing Shareholders could significantly affect the trading price of the Equity Shares.*

The future issuances of the Equity Shares by us, including pursuant to the ESOP 2014, or the disposal of the Equity Shares by any of the major Shareholders, or the perception that such issuance or sales may occur, may significantly affect the trading price of the Equity Shares. Our private equity investors presently hold 54.48% of our pre-Offer share capital. While some of our investors are offering some of their Equity Shares in the Offer for Sale, they will continue to hold 25.34% of our post Offer share capital. They may choose to sell all or a substantial portion of their shareholding in our Company in order to realise return on their investments. For further detail, see “*Capital Structure*” on page 74. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

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

The articles of association, resolutions of the board of directors, and Indian law govern the corporate affairs of companies operating in India. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as our Company's shareholders than as shareholders of corporations in another jurisdiction.

66. *You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.*

Under the Companies Act, a company incorporated in India must offer its shareholders pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares who have voted on the

resolution, or unless the company has obtained approval from the government to issue without such special resolution, subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our Company filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless our Company makes such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in our Company would be reduced.

67. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

Our Company has not paid any dividend on its Equity Shares during the last five Fiscal Years. The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. For additional details relating to our dividend policy, see “Dividend Policy” on page 220.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI or the FIPB. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI or the FIPB will be required. We have undertaken or recorded such transactions in the past based on a *bona fide* interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

Prominent Notes:

1. Our Company was originally incorporated as Curie Centre of Oncology Private Limited on March 12, 1998 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to HealthCare Global Enterprises Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on November 14, 2005. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on May 20, 2006 and the name of our Company was changed to HealthCare Global Enterprises Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on July 5, 2006. For details of change in the name and registered office of our Company, see “History and Certain Corporate Matters” on page 177.

2. Public Offer of up to 31,098,000 Equity Shares for cash at the price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] million comprising of a Fresh Issue of 11,600,000 Equity Shares and an Offer of Sale of 19,498,000 Equity Shares aggregating to ₹[●] million by the Selling Shareholders. The Offer will constitute at least 36.83% of the post-Offer paid-up Equity Share capital of our Company.
3. Our net worth was ₹2,794.92 million as on March 31, 2015, in accordance with our financial statements included in this Draft Red Herring Prospectus. For details, see “*Financial Statements*” on page F-1.
4. Our net asset value per Equity Share was ₹36.26 as at March 31, 2015, as per our restated financial statements.
5. The average cost of acquisition of Equity Shares (before accounting for transfers, if any, by way of sale/gift etc.) by our Promoters, Dr. BS Ajai Kumar, Dr. Ganesh Nayak, Dr. BS Ramesh, Dr. KS Gopinath and Dr. M Gopichand is ₹23.53, ₹15.26, ₹16.03, ₹18.92 and ₹66.17, respectively per Equity Share.
6. Except as disclosed under “*Our Group Entities*” and “*Financial Statements - Consolidated Statement of Transactions and Balances with Related Parties, as Restated*” on pages 214 and F-56, respectively none of our Group Entities have business interests or other interests in our Company.
7. For details of related party transactions entered into by our Company with the Group Entities and other related parties during the last Fiscal Year ended March 31, 2015, the nature of transactions and the cumulative value of transactions, see “*Financial Statements - Consolidated Statement of Transactions and Balances with Related Parties, as Restated*” on page F-56.
8. There have been no financing arrangements whereby our Promoter Group, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of our business during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.
9. Investors may contact the BRLMs for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, see “*General Information*” on page 65.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from industry sources and has not been independently verified by us, the Book Running Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

India's economy has witnessed a significant growth in the recent past, growing by 7.3% in 2015 as against 6.9% in 2014. The size of the Indian economy is estimated to be ₹129.57 trillion (US\$2.01 trillion) in 2014. It is estimated that India will witness a GDP growth rate of 7.5% in 2016, due to improved investor confidence, lower food prices and policy reforms. (Source: India Brand Equity Foundation, <http://www.ibef.org/economy/indian-economy-overview>)

Overview of the Indian Healthcare Industry

Healthcare spending represented an estimated 4% of India's GDP in 2012. At a market value of US\$81.3 billion, India was the sixth largest healthcare market globally in 2014. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

The Indian healthcare industry comprises five segments: (i) hospitals, (ii) pharmaceuticals, (iii) medical insurance, (iv) medical equipment and supplies, and (v) diagnostics. The hospital segment comprised about 71% of the total healthcare revenue in India at 2012 estimates. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

Healthcare delivery in India has two components: public and private. The public, i.e., the government healthcare system, focuses on addressing primary healthcare needs across India and particularly so in the rural areas. The government also manages secondary and tertiary care hospitals across India. The private sector comprises primarily secondary and tertiary care hospitals predominantly located in metropolitan, tier I and tier II cities. The private sector accounts for almost 72% of India's total healthcare expenditure. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

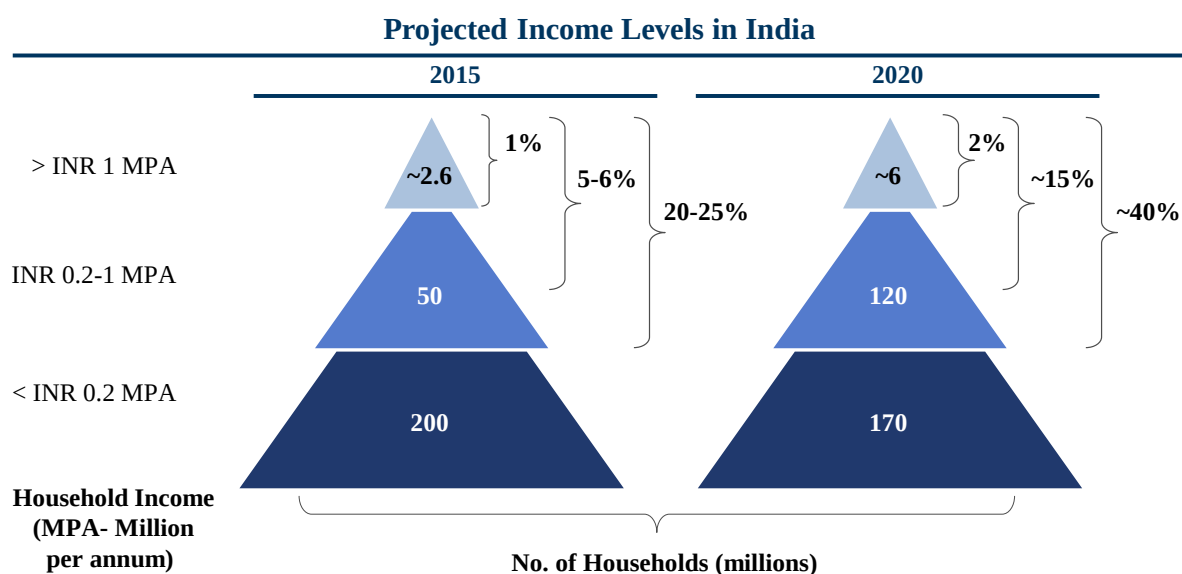
The Indian healthcare industry is expected to grow at a CAGR of 17% between 2008 and 2020; and by 2020, the Indian healthcare industry is expected to have a market value of US\$280 billion. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

The growth in the Indian healthcare industry will be primarily driven by:

- socio-economic changes such as growing health awareness, increasing per-capita income, increasing penetration of health insurance, increasing instances of lifestyle diseases and an aging population;
- technological advancements such as continuing development of mobile technology which will enhance the delivery of healthcare through telemedicine;
- affordability of healthcare in India, which will attract more patients. For example, treatment for major surgeries in India costs approximately 20% less than the cost in a developed country; and
- government policies in India that support the growth in the healthcare industry such as tax reliefs on hospitals in tier II and tier III cities, which will attract healthcare investment in these areas.

(Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

As noted above, one of the key factors for the increase in healthcare expenditure in India is the projected rise in income levels. The number of households in India earning more than ₹0.2 million per annum is expected to increase from around 50 million in 2015 to around 120 million in 2020, as shown in the graph below:



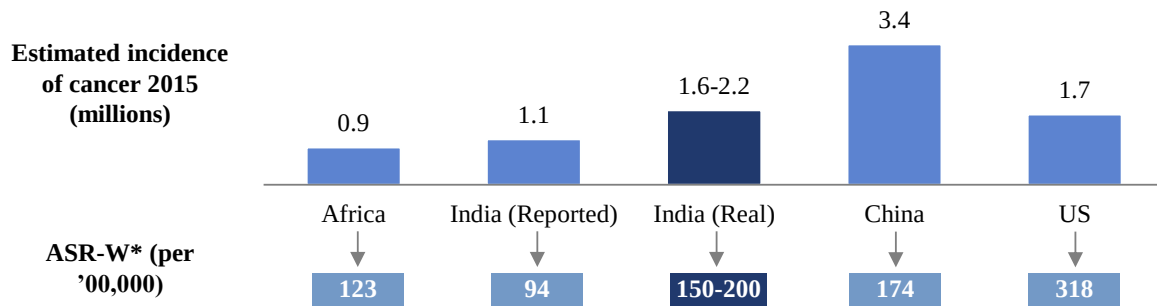
(Source: Call for Action: Expanding cancer care in India dated July 2015, page number 49, published by Ernst & Young)¹

Cancer Prevalence and Incidence in India

The prevalence of cancer in India is estimated to be 3.9 million people in 2015, with 1.1 million reported new cancer cases during the year. The real incidence of cancer in India could be significantly higher than the reported figure. Data from large randomised screening trials undertaken in India suggest that the real incidence of cancer could be 1.5 to 2 times higher than the reported incidence, or an estimated 1.6 to 2.2 million new cancer cases during 2015. (Source: Call for Action: Expanding cancer care in India dated July 2015, page number 3, published by Ernst & Young)¹ Even at this level, the age adjusted cancer incidence per 100,000 people in India is significantly lower than that in the United States and China, as illustrated in the graph below:

¹ This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor. Ernst & Young hereby disclaims confirming or verification of any of the contents as mentioned under the documents filed by you before various authorities as part of your filings in any manner whatsoever, and also disclaims its relationship or involvement with such documents in any capacity altogether, except where it has consented to the inclusion of references to its reports in such documents.

Cancer Incidence across Countries



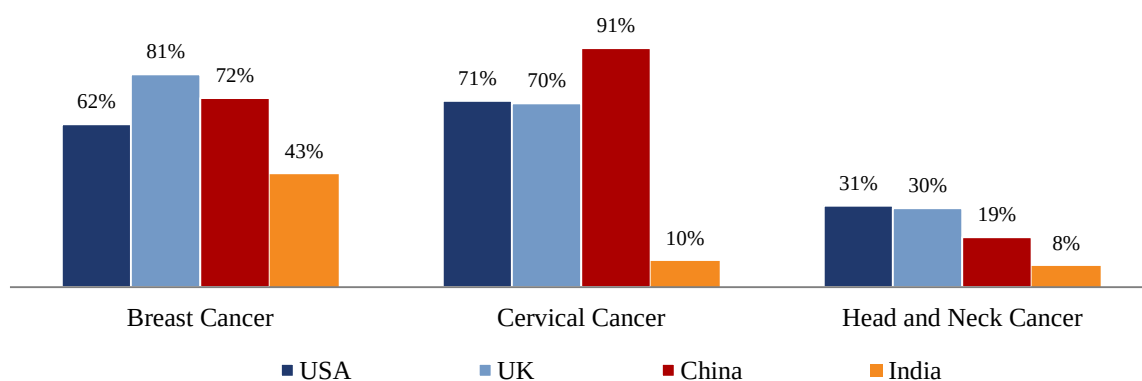
*The ASR-W is a weighted mean of the age-specific incidence rates. The weights are taken from the population distribution of the 'World Standard Population' defined by WHO, and the estimated incidence rate is expressed per 100,000 population for comparisons between different geographies, as age is a key determinant of cancer incidence.

(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 12, published by Ernst & Young)¹

The reported incidence of cancer in India is based on data collected from the cancer registries, which cover less than 10% of the population, resulting in a significant margin of error in estimation. The gap between reported and real cancer incidence can primarily be attributed to under-diagnosis of cancer in India. The under-diagnosis of cancer is represented in the relatively late stage of presentation of cancer cases in India relative to China, the United Kingdom and the United States. Data collected between 2009 and 2011 show that only 43% of breast cancer cases were diagnosed at early stages (i.e., stage I or stage II) of the disease in India while it is 62% in the United States, 81% in the United Kingdom and 72% in China. While this varies with the type of cancer, the rate of diagnosis in India is generally more delayed compared to other countries. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 3, published by Ernst & Young)¹

The following graph sets out the comparison of early stage (i.e., stage I or stage II) cancer diagnosis during the period from 2009 to 2011 in India, and in the United States, the United Kingdom and China during the period from 2009 to 2013, by different cancer types:

Cancer Diagnosis at Early Stages (Stage I or Stage II)



(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 14, published by Ernst & Young)¹

Lack of awareness of cancer and the lack of participation in screening programs in India are significant contributory factors for the relatively late stage of the disease presentation and consequently low reported cancer incidences in India. Fewer than 1% of women in India aged between 40 and 69 years participated in recommended breast screening mammograms once in 24 months, as compared to 30% in China and 65% in the

United States in 2014. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 14, published by Ernst & Young)¹

SUMMARY OF OUR BUSINESS

Overview

We are a provider of speciality healthcare in India focused on cancer and fertility. Under the “HCG” brand, we operate the largest cancer care network in India in terms of the total number of cancer treatment centres licensed by the AERB as of March 31, 2015. (Source: Government of India, Atomic Energy Regulatory Board) Under the “Milann” brand, we operate our fertility centres.

As of June 30, 2015, our HCG network consisted of 15 comprehensive cancer centres, including our centre of excellence in Bengaluru, four freestanding diagnostic centres and one day care chemotherapy centre across India. Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). Our freestanding diagnostic centres and our day care chemotherapy centre offer diagnosis and medical oncology services, respectively. For further details, see “Our Business” on page 147.

Our HCG network operates on a “hub and spoke” model, wherein our HCG centre of excellence in Bengaluru serves as a “hub” to our other cancer centres. Our centre of excellence provides our other centres access to centralised quality control and assurance services; establishes treatment protocols that are adhered to across our HCG network; provides centralised treatment planning and tele-radiology services to help with diagnosis and treatment; conducts weekly central tumour board meetings to review complex cases; and also gives our HCG network access to advanced technologies, such as WBRRS and specialised procedures such as liver transplants and stem cell therapies. We believe this model allows our HCG network of cancer centres to leverage the expertise and capabilities of our centre of excellence, which when combined with the diagnostic and treatment facilities at our cancer centres, allows us to deliver quality cancer care to patients across India in a seamless manner.

We follow a multidisciplinary approach to cancer care across our HCG network, wherein specialist physicians from various disciplines collaborate to provide the best course of treatment for each patient. This allows us to share and develop best practices, build clinical expertise and adopt standardised protocols for diagnosis and treatment, thereby improving the quality of our cancer care services. We believe that as a result, we are able to better serve our patients and ensure consistent clinical outcomes.

In our HCG network, our specialist physicians adopt a technology-focused approach to diagnosis and treatment. For instance, we use advanced technologies, including molecular pathology and molecular imaging for accurate diagnosis and staging of cancer, which enable us to decide upon the appropriate course of treatment for each patient. We also utilise targeted nuclear medicine therapies as well as advanced radiation treatments to minimise side effects and improve the outcome of treatments. By ensuring that we adopt these diagnostic and treatment technologies throughout our HCG network, we are able to provide consistent quality of care to all patients.

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale. Furthermore, through the adoption of a centralised drug and consumables formulary, we are able to lower the overall cost of drugs and consumables. We believe that our business model is scalable and when combined with efficient utilisation of resources, it enables us to operate within a competitive cost structure.

We began the expansion of our HCG network in 2006, and have since added 12 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre across India as of June 30, 2015. As of June 30, 2015, we also had 12 HCG comprehensive cancer centres under various stages of development in India.

The following table sets out the number of our comprehensive cancer centres and the key operational data of our HCG network during Fiscal Years 2015, 2014 and 2013:

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
Comprehensive cancer centres in operation	15	15	14
New patient registrations	37,458	34,344	28,546
Patients treated with radiation therapy	12,647	11,181	10,225
PET-CT procedures	23,988	21,040	17,750
Chemotherapy administrations	48,360	43,988	40,052

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
Surgeries	8,707	8,454	7,333

We believe that our current model of providing speciality healthcare in India can be replicated in other underserved healthcare markets. We intend to establish a network of speciality cancer centres in Africa, similar to our cancer care network in India. We believe that our planned network will cater to the increasing unmet demand for cancer care in Africa due to which, a large number of cancer patients travel outside the region to avail quality cancer care, including to our comprehensive cancer centres in India. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa.

We also provide fertility treatment under our Milann brand. We acquired 50.10% equity interest in BACC Healthcare in 2013 which operates fertility centres under the Milann brand, through itself and its wholly-owned subsidiary, DKR Healthcare. Pursuant to this acquisition, we now operate four Milann fertility centres in Bengaluru.

BACC Healthcare is led by a team of qualified and experienced fertility specialists. Its founder, Dr. Kamini Rao has a successful track record of over 25 years of providing fertility treatments. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation; and follow a multidisciplinary and technology-focused approach to diagnosis and treatment. Our Milann network also operates on a model similar to our HCG network, wherein the various Milann fertility centres aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment. During Fiscal Years 2015 and 2014, our Milann fertility centres registered 8,027 and 7,617 new patients and performed 1,111 and 932 IVF procedures, respectively. Our Milann fertility centres also offer training programmes for fertility specialists and embryologists. For further details, see “Our Business” on page 147.

Under our Triesta brand, we provide clinical reference laboratory services in India with a specialisation in oncology, including molecular diagnostic services and genomic testing. Our Triesta central reference laboratory is located in our centre of excellence in Bengaluru. Our Triesta central reference laboratory is accredited by NABL in India, as well as by CAP for quality assurance of laboratory tests performed. Additionally, Triesta offers research and development services to pharmaceutical and biotechnology companies in the areas of clinical trial management and biomarker discovery and validation. Triesta is led by a team of specialist oncopathologists, molecular biologists and clinical researchers. We believe that Triesta is well-positioned to leverage the wide variety of patient cases across our HCG network to develop its capabilities and business.

On a consolidated basis, our revenue from operations for Fiscal Years 2015, 2014 and 2013 was ₹5,193.75 million, ₹4,513.34 million and ₹3,383.05 million, respectively. We earned a net profit amounting to ₹5.46 million and incurred net losses amounting to ₹355.53 million and ₹105.14 million, respectively for Fiscal Years 2015, 2014 and 2013. On a consolidated basis, our EBITDA before exceptional items for Fiscal Years 2015, 2014 and 2013 was ₹810.55 million, ₹422.16 million and ₹486.07 million, respectively.

Our Strengths

Largest provider of cancer care in India with a proven track record

Our HCG network is the largest provider of cancer care in India in terms of the total number of cancer treatment centres licensed by the AERB as of March 31, 2015. (Source: Government of India, Atomic Energy Regulatory Board) As of June 30, 2015, we operated 20 HCG cancer centres, including 15 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre in India. During Fiscal Year 2015, we registered 37,458 new cancer patients across our HCG network and delivered radiation therapy to 12,647 patients. We also performed 23,988 PET-CT procedures, 48,360 chemotherapy administrations and 8,707 surgeries across our HCG network during Fiscal Year 2015.

We began the expansion of our HCG network in 2006, and have since added 12 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre. Our HCG network is spread across 14 cities and towns in eight states in India. Through our extensive network of HCG cancer centres, we are able to extend the provision of cancer care beyond the metropolitan cities to patients across India. We believe that HCG has a strong reputation within the medical community in India, due to the advanced technologies used, successful clinical outcomes and the extensive clinical experience of our specialist physicians. We believe that

HCG's market leading position, successful track record and strong reputation in India provides us with a significant advantage over our competitors.

High quality cancer care provided at a competitive price

Across our HCG network, our specialist physicians adopt an integrated multidisciplinary and technology-focused approach to provide comprehensive cancer care to our patients. Our approach relies on close collaboration and sharing of information among specialist physicians from various disciplines, including medical, radiation and surgical oncologists, nuclear medicine physicians, pathologists and radiologists. We believe that this collaborative approach enables us to offer a high standard of care to our patients.

Technological innovations in cancer diagnosis and treatment are continuous and are based on ongoing research initiatives of global medical technology vendors and pharmaceutical and biotechnology companies. We believe that owing to the relationships we enjoy with such medical technology vendors and pharmaceutical and biotechnology companies and our involvement with them in the areas of research and development, we have been able to introduce in India and adopt across our HCG network the latest advances in technology relatively early. For instance, we were among the first healthcare providers in India to standardise molecular diagnostics technologies, including genomic testing and molecular imaging, including 128 slice PET-CT scans in the diagnosis and staging of cancer, as well as to introduce high intensity flattening filter free mode radiotherapy, stereotactic radiosurgery and robotic radiosurgery, in the treatment of cancer in India. We were also the first healthcare provider in India to perform computer assisted tumour navigation surgery. We believe this gives us a distinct advantage relative to our competitors in delivering high quality and standardised cancer care to our patients.

We believe that our standardised clinical protocols for diagnosis and treatment of cancer patients have allowed us to manage the large volume of patient cases across our HCG network with successful clinical outcomes. The five year survival rate for breast cancer patients at our HCG network is comparable to U.S. benchmarks. (Source: *Delivering World-Class Health Care, Affordably*, published on *Harvard Business Review* by Vijay Govindarajan and Ravi Ramamurti, dated November 2013) In addition, we believe our successful track record in identifying the right partners, evaluating target markets for our cancer centres and managing the project execution to set up and operate a cancer centre, has allowed us to expand our HCG network, reduce the time taken to stabilise new cancer centres and contribute to the growth of new patient registrations. All of these factors help create efficiency, manage costs for us and our patients and put us at an advantage over our competitors.

We seek to maximise the utilisation of the equipment and technologies used across our HCG network through optimal scheduling of patients undergoing treatment, in particular, radiation therapy. We have also implemented a centralised drug and medical consumables formulary, allowing us to maximise the utilisation of generic drugs and to lower the overall cost of drugs and medical consumables. Further, we believe that the scale of our operations and the relationships we enjoy with vendors of specialised medical equipment lend us a competitive advantage in terms of favourable economic terms of purchase and financing of medical equipment.

Entry into high potential fertility business

Fertility treatment is an emerging segment of the Indian healthcare industry, which is currently relatively underdeveloped and fragmented. There are an estimated 27.5 million couples suffering from infertility in India, which could increase to between 29 million and 32 million by 2020 due to demographic, lifestyle and the presence of various clinical risk factors among the Indian population. Of the estimated 27.5 million infertile couples in India, fewer than 0.3 million currently seek fertility treatment, owing to a lack of awareness of and access to fertility treatment, as well as a high cost of treatment. Nonetheless, the number of IVF cycles performed in India has increased from 7,000 in 2001 to 100,000 in 2015. The number of IVF cycles performed in India is forecast to increase to 260,000 by 2020, representing a CAGR of 21%. (Source: *Call for Action: Expanding IVF Treatment in India* dated July 2015, page number 24, published by Ernst & Young). Through our acquisition of a 50.10% equity interest in BACC Healthcare, we now operate four Milann fertility centres in Bengaluru.

We believe that there is significant potential for growth in the fertility segment of the Indian healthcare industry. Further, the fragmentation of the market presents us with an opportunity to leverage the expertise of building our HCG brand into a nationally recognised speciality healthcare brand and to build and establish our Milann brand across India. We believe our experience in building our HCG network through partnerships with specialist physicians and hospitals and standardising clinical protocols and quality standards across our HCG network is a

key strength that will allow us to similarly expand our Milann network. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation. During Fiscal Year 2015, our Milann fertility centres registered 8,027 new patients and performed 1,111 IVF procedures, respectively. We believe that the clinical track record of our Milann fertility specialists and our ability to roll out a nation-wide network and adhere to quality standards for patient care are key factors that give us a competitive advantage in meeting the growing demand for fertility treatment in India.

Strong management team with successful track record

Our senior management team has extensive experience in the management of healthcare businesses. We believe the experience, depth and diversity of our management team, complemented by the clinical expertise and relationship base of our physician Promoters, is a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate.

Several key members of our management team, including our Chairman and Chief Executive Officer, our executive director of operations, our director of healthcare services, our chief operating officer for our HCG cancer centres in Gujarat, our vice president of medical services and our company secretary have all been with us for over five years. Additionally, Dr. Kamini Rao, who is the founder and medical director of our Milann fertility centres, is a pioneer in the field of fertility treatment, with over 25 years of experience in the field. She currently leads the operation of our Milann fertility centres. We believe that our management team has been successful in establishing partnership arrangements to build our cancer care network, consummating and integrating acquisitions, including the BACC Healthcare acquisition, and in identifying, recruiting and retaining specialist physicians in an effective manner. Commencing with the establishment and operation of the first comprehensive cancer centre in our HCG network in Bengaluru and the subsequent expansion of our HCG network into India's largest comprehensive cancer care network, our management team has gained significant and unique experience in establishing and operating a national network of speciality healthcare.

Highly skilled specialist physicians

As of March 31, 2015, we had a team of 443 specialist physicians including 225 oncologists, 21 radiologists, 23 pathologists and 174 other specialist physicians in our HCG network. As of March 31, 2015, we also had 29 fertility specialists, 20 of whom were pursuing their post-graduate fellowships at our Milann fertility centres, and 30 other specialist physicians in our Milann network. See also, “*Our Business*” on page 147. We believe that we are able to attract and retain highly skilled specialist physicians due to our reputation for clinical excellence, our technology-focused approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for their ongoing development. We believe that the abilities and expertise of our team of specialist physicians differentiate us relative to our competitors. Several of our specialist physicians have received accolades and awards in recognition of their contribution to their respective fields of medicine, including Dr. Kamini Rao, who is a fertility specialist and the medical director of our Milann fertility centres and Dr. K.S. Gopinath, who is a surgical oncologist and one of our Promoters, who have both received the *Padma Shri* award.

Our business model and partnership arrangements

Our HCG network operates on a “hub and spoke” model, wherein our HCG centre of excellence in Bengaluru serves as a “hub” to our other cancer centres. Our centre of excellence provides our other centres access to centralised quality control and assurance services; establishes treatment protocols that are adhered to across our HCG network; provides centralised treatment planning and tele-radiology services to help with diagnosis and treatment; conducts weekly central tumour board meetings to review complex cases; and also gives our HCG network access to advanced technologies, such as WBRRS and specialised procedures such as liver transplants and stem cell therapies. We believe this model allows our HCG network of cancer centres to effectively leverage the expertise and capabilities of our centre of excellence.

We enter into various types of partnership arrangements, mostly with other specialist physicians and other hospitals, to expand our network. These arrangements include setting up joint venture companies or limited liability partnerships with our partners, wherein our partners have minority ownership interest, to establish new centres; and revenue or profit sharing arrangements, wherein we share a portion of the revenue or profit from the centres with, and/ or pay a fixed fee to the partners. We assess our partners based on a number of factors, including their expertise and reputation in the market, their existing patient base, their ethical and value system, their access to land or buildings to establish cancer centres and their financial and technical capability. Our Promoters and senior management are actively involved in selecting the partners with whom we enter into such

arrangements, which ensures that we select the right partners. Our partnership arrangements allow us to leverage the position and reputation of our partners in the local communities. These arrangements contribute in reducing the time taken to establish and ramp up our centres as we are able to benefit from the established clinical practice and patient base of our partners. Additionally, these arrangements facilitate a stronger presence in each market we serve. Several of our partners are surgical oncologists or hospitals in the markets in which we operate. Our partners also benefit from our experience and expertise in cancer care, the strength of our HCG brand, our technological capabilities and our network across India. Our existing partners also enhance our brand image and contribute to the expansion of our network by making recommendations to other specialist physicians to join our network.

We actively support our partnerships and we believe that our reputation and track record in implementing the partnership model is a differentiator in the Indian healthcare industry. The first cancer centre in our HCG network was set up in 1989 pursuant to a partnership arrangement and we have since set up 13 additional comprehensive cancer centres through partnership arrangements. As of June 30, 2015, three of our comprehensive cancer centres set up through partnership arrangements were merged with our Company and 11 of these partnership arrangements remained unchanged. For further details on our partnership arrangements, see, “*Our Business*” on page 147. We believe that our ability to successfully execute partnership arrangements has been a key factor in our growth.

Our Strategies

Expand the reach of our cancer care network in India

We plan to expand our HCG network in India by establishing new cancer centres across India and by expanding the capacity and service offering of our existing HCG cancer centres. As of June 30, 2015, we were in the process of establishing 12 new comprehensive cancer centres in India, all of which are under various stages of development. See also, “*Our Business*” on page 147. We expect these new comprehensive cancer centres to commence operation during the course of Fiscal Years 2016 and 2017. As of June 30, 2015, we were also expanding our existing HCG comprehensive cancer centres at Hubli, Cuttack and Ahmedabad. We plan to expand these centres by adding either new cancer care services or new equipment to cater to increasing demand. See also, “*Objects of the Offer*” on page 110. We carry out a competitive assessment of the markets in which we plan to expand our HCG network based on a number of factors, including the estimated incidence of cancer in the primary and secondary catchment population, the number of comprehensive cancer centres, if any, in the catchment; the average distance patients have to travel to avail of such comprehensive cancer care; affordability of healthcare generally and cancer care in particular; and the available third party payer options, whether corporate, government or private insurance. In the future, we will continue to expand our network through green field projects, partnership arrangements and acquisitions. We believe that our past experiences will aid us in identifying potential opportunities in the future and assist us in integrating new cancer centres into our existing HCG network.

Strengthen our HCG brand to reach more cancer patients

We believe that our HCG brand distinguishes us from our competitors. As we establish new comprehensive cancer centres across India, we plan to invest in building our brand, enhancing our market presence, brand image and visibility. We intend to strengthen our patient support groups comprising cancer survivors to further spread awareness of cancer screening and to educate patients regarding cancer treatment options and their relative outcomes and benefits. Through these initiatives, we seek to further strengthen our brand and our commitment to the community, cancer patients and their families.

We also intend to continue to grow our base of referring physicians through ongoing community outreach programmes and continuing medical education programmes targeting such physicians. We will also continue with our strategy of direct consumer marketing activities, including advertising in print, television, outdoor and digital media primarily through patient testimonials and socially relevant messages.

Expand our cancer care network to Africa

We believe that despite the growing incidence of cancer, there is a shortage of cancer centres in many countries in Africa. As a result, patients suffering from cancer often travel outside the region at a significant cost for availing quality cancer care, including to our comprehensive cancer centres in India. In the past, we have experienced an increase in the number of patients travelling from Africa and other regions to our centre of excellence in Bengaluru, as well as to our other comprehensive cancer centres in India for cancer treatment. For

Fiscal Years 2015, 2014 and 2013, we derived 15.64%, 12.62% and 7.91%, respectively of our total revenue at our centre of excellence from such international patients. We believe that this growing demand presents us with an opportunity to establish a network of speciality cancer centres in Africa.

We are currently planning to establish a network of specialty cancer centres in Africa through partnership arrangements and acquisitions. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa. In the first phase of the development, we plan to establish comprehensive cancer centres in Kenya, Tanzania and Uganda. CDC is an active investor in the healthcare sector in Africa and pursuant to our partnership with CDC, we propose to set up additional cancer centres in other parts of Africa on a selective basis. We believe that we are well-positioned for growth in Africa due to the significant unmet demand for cancer care, our expertise in cancer diagnosis and treatment, our existing track record of establishing and operating cancer centres in India and our partnership with a leading development finance institution such as CDC.

Upgrade and strengthen our information technology infrastructure

We are in the process of significantly upgrading our information technology infrastructure in order to enhance the quality of care delivered to patients and to further enhance our clinical best practices and research capabilities. Our planned information technology infrastructure will be based on a private cloud-computing system and will encompass a centralised EMR system seamlessly integrated with various other centralised systems including RIS/ PACS, biorepository, HIS and ERP system. For further details on our planned information technology infrastructure, see “*Objects of the Offer*” on page 110.

Adoption of a cloud-based centralised information technology infrastructure will enable us to transition from our current paper-based and de-centralised medical records system to a centrally managed and administered electronic medical records system. The centralised EMR system will seamlessly integrate patient data, including laboratory, radiology, medical, radiation and surgical oncology data. This will allow our physicians and researchers an integrated access to patient history. Adoption of the centralised HIS and ERP system will allow us to more efficiently manage all aspects of our operations, including optimal utilisation of our equipment and human resources, billing and receivables management, inventory management, central purchasing, formulary management and financial controls. We believe that the implementation of these information systems will maximise efficiencies through the greater integration of our network and help us fine tune protocols through knowledge sharing and collaboration. Further, we believe that these initiatives will enhance our ability to conduct longitudinal research studies (which are long-term observational research studies), and associate clinical outcomes with mutation and other genomic findings in cancer patient tissues maintained at our biorepository. We believe that this will position us as a partner of choice for cancer researchers and academia.

Expand our Milann network of fertility centres across India and build our Milann brand

The IVF market in India is under-penetrated relative to its potential demand. The potential demand for IVF cycles could be nine to 12 times higher than the current actual number of patients availing treatment in Delhi, Mumbai and Bengaluru. The number of infertile couples coming forward for fertility treatment in India is estimated to increase from the current 270,000 to around 650,000 to 700,000 by 2020. (Source: *Call for Action: Expanding IVF Treatment in India* dated July 2015, page numbers 4 and 42, published by Ernst & Young) In order to address the growing demand for fertility treatment in India, we plan to expand our Milann network by setting up green field centres and also by entering into partnership arrangements and undertaking selective acquisitions. As of June 30, 2015, we were in the process of establishing three fertility centres in India.

We believe that in expanding our Milann network, we are well-positioned to leverage HCG's successful track record of growing through partnerships with specialist physicians and hospitals, as well as our relationship base within the medical community.

We intend to invest in building our Milann brand through targeted media campaigns focusing on building patient awareness of fertility treatment primarily through patient testimonials and socially relevant messages. We also intend to undertake community outreach programmes, strengthen our patient support groups and undertake other awareness building activities among corporate entities. In addition, we intend to undertake various direct consumer marketing activities, including advertising in print, television, outdoor and digital media.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Standalone Financial Statements of our Company and the Restated Consolidated Financial Statements of our Company.

The Restated Financial Statements have been prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations and presented under the "Financial Statements" on page F-1. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages F-1 and 254 respectively.

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	March 31, 2015	March 31, 2014	As at March 31, 2013	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	699.84	682.45	668.90	592.72	533.04
(b) Shares pending allotment	8.47	5.80	5.80	-	1.05
(c) Share application money pending allotment	-	-	-	-	72.89
(d) Reserves and surplus	2,008.33	1,919.18	2,169.00	1,486.07	1,073.68
	2,716.64	2,607.43	2,843.70	2,078.79	1,680.66
Non-current liabilities					
(a) Long-term borrowings	2,474.13	2,214.99	2,042.76	994.89	786.97
(b) Deferred tax liabilities (net)	-	-	4.93	-	-
(c) Other long-term liabilities	13.68	19.40	130.89	106.16	-
(d) Long-term provisions	17.18	17.11	28.00	19.23	27.76
	2,504.99	2,251.50	2,206.58	1,120.28	814.73
Current liabilities					
(a) Short-term borrowings	292.70	173.61	374.51	510.88	138.95
(b) Trade payables	747.25	616.25	489.18	306.41	324.49
(c) Other current liabilities	602.81	466.68	519.10	336.83	243.03
(d) Short-term provisions	31.03	22.74	3.33	9.44	1.77
	1,673.79	1,279.28	1,386.12	1,163.56	708.24
TOTAL	6,895.42	6,138.21	6,436.40	4,362.63	3,203.63
II. ASSETS					
Non-current assets					
(a) Fixed assets					
- Tangible assets	3,890.14	3,537.63	3,434.33	2,854.13	2,059.05
- Intangible assets	157.65	174.13	190.88	8.60	7.48
- Capital work-in-progress	278.77	104.12	12.26	26.74	5.23
(b) Non-current investments	837.56	800.05	774.02	313.02	290.80
(c) Deferred tax assets (net)	54.72	-	-	14.39	18.90
(d) Long-term loans and advances	548.89	539.55	462.49	320.76	361.61
(e) Other non-current assets	66.92	45.98	45.59	25.86	10.57
	5,834.65	5,201.46	4,919.57	3,563.50	2,753.64
Current assets					
(a) Current investments	-	-	603.72	0.86	8.34
(b) Inventories	129.82	107.89	88.76	59.34	46.90
(c) Trade receivables	643.79	516.44	582.99	408.84	276.55
(d) Cash and cash equivalents	127.72	147.46	48.80	138.94	38.50
(e) Short-term loans and advances	70.26	58.63	57.67	102.96	48.01
(f) Other current assets	89.18	106.33	134.89	88.19	31.69
	1,060.77	936.75	1,516.83	799.13	449.99
TOTAL	6,895.42	6,138.21	6,436.40	4,362.63	3,203.63

RESTATED STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ in million)

Particulars	March 31, 2015	March 31, 2014	For the year ended March 31, 2013	March 31, 2012	March 31, 2011
REVENUE					
Revenue from operations					
Income from medical services	2,579.25	2,129.85	1,774.34	1,223.69	964.94
Income from pharmacy	1,603.15	1,348.54	1,129.90	794.65	625.77
Other operating revenues	19.10	12.59	9.94	-	-
	4,201.50	3,490.98	2,914.18	2,018.34	1,590.71
Other Income	42.91	34.96	25.34	33.33	10.72
Total Revenue	4,244.41	3,525.94	2,939.52	2,051.67	1,601.43
EXPENSES					
Purchase of stock-in-trade	1,342.42	1,195.82	1,006.12	706.57	528.07
(Increase)/ decrease in stock-in-trade	(28.60)	(19.13)	(22.00)	(12.44)	(21.10)
Employee benefits expense	689.48	614.28	463.04	315.43	258.51
Finance costs	315.22	282.39	249.97	208.32	109.17
Depreciation and amortisation expense	325.75	279.01	232.68	180.65	135.31
Other expenses	1,633.72	1,534.70	1,075.49	688.65	562.26
Total Expenses	4,277.99	3,887.07	3,005.30	2,087.18	1,572.22
Profit/(Loss) before tax and exceptional items	(33.58)	(361.13)	(65.78)	(35.51)	29.21
EXCEPTIONAL ITEMS					
Effect of increase / (decrease) in profits					
Net loss relating to Hospital unit closed during the year	(42.51)	-	-	-	-
Provision for decline in value of investments	-	(8.39)	-	-	-
Provision for impairment of loans & advance to subsidiary	-	(30.39)	-	-	-
Total Exceptional Items	(42.51)	(38.78)	-	-	-
Profit/(Loss) before tax	(76.09)	(399.91)	(65.78)	(35.51)	29.21
TAX EXPENSE					
(a) Current tax expense	-	-	-	1.00	9.64
(b) (Less): MAT credit	-	-	-	(1.00)	(9.64)
(c) Provision for MAT credit entitlement	5.07	-	-	-	-
(d) Deferred tax	(57.50)	(4.93)	5.80	4.51	(5.19)
Net tax expense	(52.43)	(4.93)	5.80	4.51	(5.19)
Net Profit / (Loss) for the year (as restated)	(23.66)	(394.98)	(71.58)	(40.02)	34.40

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the year ended			(₹ in million)	
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
A. Cash flow from operating activities					
Profit / (Loss) before tax, as restated	(76.09)	(399.91)	(65.78)	(35.51)	29.21
<i>Adjustments for:</i>					
Depreciation and amortisation expense	332.50	279.01	232.68	180.65	135.31
Loss on sale / write off of assets	6.51	0.78	3.19	0.03	0.41
Expense on employee stock option scheme	11.98	8.89	4.49	5.03	3.98
Finance costs	306.04	273.48	242.77	201.24	101.82
Interest income	(28.22)	(14.67)	(9.91)	(3.87)	(0.85)
Dividend income	-	(0.20)	-	(0.91)	(2.60)
Net (gain) / loss on sale of investments	-	(5.41)	(0.03)	(0.35)	-
Liabilities no longer required written back	(4.92)	(3.23)	(2.31)	(17.72)	(3.75)
Provision for doubtful trade and other receivables, loans and advances	18.11	142.69	25.39	25.89	8.17
Provision for impairment of investments and loans & advances	-	38.78	-	-	-
Unrealised foreign exchange loss	-	-	-	0.14	0.09
Operating profit / (loss) before working capital changes	565.91	320.21	430.49	354.62	271.79
<i>Changes in working capital:</i>					
<i>Adjustments for (increase) / decrease in operating assets:</i>					
Inventories	(20.91)	(19.13)	(22.00)	(12.31)	(21.10)
Trade receivables	(121.54)	(74.41)	(185.42)	(157.55)	(82.46)
Short-term loans and advances	(21.90)	(0.95)	27.60	(16.47)	19.96
Long-term loans and advances	(37.81)	(46.64)	(56.50)	(4.50)	8.46
Other current assets	27.28	31.67	(35.20)	(55.75)	(19.84)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>					
Trade payables	85.03	139.59	121.33	(0.47)	76.65
Other current liabilities	33.18	20.76	6.41	5.71	2.39
Short-term provisions	7.56	19.40	(0.13)	7.67	(8.20)
Long-term provisions	(0.68)	(10.89)	6.97	(8.54)	14.85
Cash generated from operations	516.12	379.61	293.55	112.41	262.50
Net income tax (paid) / refunds	(4.18)	(38.94)	(55.11)	(41.53)	(26.68)
Net cash flow from / (used in) operating activities (A)	511.94	340.67	238.44	70.88	235.82
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(673.02)	(450.98)	(715.30)	(99.51)	(371.18)
Proceeds from sale of fixed assets	0.81	1.84	0.35	-	0.13
Purchase / acquisition of long-term investments:					
- in subsidiaries	(34.17)	(159.37)	(452.28)	-	(20.21)
- in associates	-	(18.80)	(1.00)	-	-
- in Limited Liability Partnership	(25.41)	(6.25)	(5.26)	(58.95)	(6.74)
- Others	-	-	(0.04)	-	-
Inter-Corporate deposits given	(22.16)	-	-	-	-
Deposits placed for margin money	(10.62)	(14.27)	(23.28)	(12.26)	(0.83)
Current investment not considered as cash and cash equivalents					
- Purchased	-	-	(603.72)	(213.46)	(99.10)
- Proceeds from sale	-	609.13	0.89	221.29	285.08
Share application money paid	-	(19.37)	(13.46)	(17.00)	6.97
Loans and advances given to subsidiaries	(31.30)	(58.47)	(10.18)	(30.97)	-
Loans and advances received from subsidiaries	33.70	43.04	11.61	11.25	-
Interest received	22.96	3.55	4.14	4.04	1.12
Dividend received from Mutual Funds units	-	0.20	-	0.91	2.60
Net cash flow from / (used in) investing activities (B)	(739.21)	(69.75)	(1,807.53)	(194.66)	(202.16)

Particulars	For the year ended			(₹ in million)	
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
C. Cash flow from financing activities					
Proceeds from issue of equity shares	100.00	149.99	799.99	433.12	144.89
Share issue expenses	-	(0.17)	(2.55)	-	(1.08)
Transfer of unclaimed dividend to Investor Education and Protection Fund	-	-	-	-	(0.01)
Proceeds from long-term borrowings	574.70	782.36	786.77	149.79	161.13
Repayment of long-term borrowings	(287.86)	(672.50)	(174.03)	(510.05)	(305.63)
Proceeds from other short-term borrowings	-	-	75.00	466.86	138.95
Repayment of other short-term borrowings	-	(60.00)	(56.25)	(195.19)	(54.59)
Proceeds from inter-corporate deposits taken	-	50.00	-	-	-
Inter-corporate deposits repaid	(50.00)	-	-	-	-
Net increase / (decrease) in working capital borrowings	166.14	(190.89)	254.17	60.33	-
Finance costs	(286.33)	(250.02)	(223.58)	(177.78)	(117.68)
Net cash flow from / (used in) financing activities (C)	216.65	(191.23)	1,459.52	227.08	(34.02)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(10.62)	79.69	(109.57)	103.30	(0.36)
Cash and cash equivalents at the beginning of the period/ year (opening balance considered for the year ended March 2011 is after giving the effect of merger of Banashankari Medical and Oncology Research Center Limited)	116.17	36.48	138.60	35.30	35.66
Add: Cash and cash equivalents pertaining to Multispecialty unit merged into the Company during the year	0.61	-	7.45	-	-
Cash and cash equivalents at the end of the year	106.16	116.17	36.48	138.60	35.30
Cash and cash equivalents as per Balance Sheet, as restated	127.72	147.46	48.80	138.94	38.50
Less: deposits held as margin money against guarantee not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	(21.56)	(31.29)	(12.32)	(0.34)	(3.20)
Cash and cash equivalents as per AS 3 Cash Flow Statements	106.16	116.17	36.48	138.60	35.30

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	March 31, 2015	March 31, 2014	As at March 31, 2013	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	699.84	682.45	668.90	592.72	533.04
(b) Shares pending allotment	8.47	5.80	5.80	-	1.05
(c) Share application money pending allotment	-	-	-	-	72.89
(d) Reserves and surplus	2,086.61	1,949.44	2,159.30	1,519.63	1,103.49
Total (A)	2,794.92	2,637.69	2,834.00	2,112.35	1,710.47
Minority Interest (B)	252.95	183.09	125.81	82.22	53.98
Non-current liabilities					
(a) Long-term borrowings	2,802.37	2,518.01	2,393.39	1,353.98	937.20
(b) Deferred tax liabilities (net)	5.15	12.07	14.57	15.53	14.70
(c) Other long-term liabilities	13.69	19.40	130.89	106.16	-
(d) Long-term provisions	22.64	21.87	32.31	23.86	30.47
Total (C)	2,843.85	2,571.35	2,571.16	1,499.53	982.37
Current liabilities					
(a) Short-term borrowings	292.71	179.98	380.20	517.24	215.74
(b) Trade payables	832.67	705.35	527.17	362.77	361.70
(c) Other current liabilities	709.86	582.91	647.06	477.67	301.47
(d) Short-term provisions	34.73	26.31	4.41	10.01	1.98
Total (D)	1,869.97	1,494.55	1,558.84	1,367.69	880.89
TOTAL (A+B+C+D)	7,761.69	6,886.68	7,089.81	5,061.79	3,627.71
II. ASSETS					
Non-current assets					
(a) Fixed assets					
- Tangible assets	4,516.92	4,337.53	4,222.91	3,766.31	2,534.44
- Intangible assets	159.15	175.68	192.73	9.72	8.87
- Capital work-in-progress	422.38	108.73	62.74	48.20	37.29
(b) Goodwill on consolidation	608.88	601.98	606.61	98.68	88.66
(c) Non-current investments	1.21	23.33	2.21	1.16	1.16
(d) Deferred tax assets (net)	58.79	2.26	11.38	17.68	19.12
(e) Long-term loans and advances	699.68	492.51	396.14	250.58	415.49
(f) Other non-current assets	74.93	48.18	47.46	29.93	19.38
Total (E)	6,541.94	5,790.20	5,542.18	4,222.26	3,124.41
Current assets					
(a) Current investments	-	-	603.72	0.86	8.34
(b) Inventories	145.53	119.83	99.72	70.72	53.24
(c) Trade receivables	638.09	528.58	601.80	430.67	291.55
(d) Cash and cash equivalents	269.54	254.77	106.67	166.27	57.53
(e) Short-term loans and advances	80.49	117.59	66.72	108.55	51.59
(f) Other current assets	86.10	75.71	69.00	62.46	41.05
Total (F)	1,219.75	1,096.48	1,547.63	839.53	503.30
TOTAL (E+F)	7,761.69	6,886.68	7,089.81	5,061.79	3,627.71

RESTATED CONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(₹ in million)

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
REVENUE					
Revenue from operations					
Income from medical services	3,395.71	3,009.77	2,220.97	1,648.34	1,318.87
Income from pharmacy	1,762.87	1,477.29	1,150.78	1,014.41	826.91
Other operating revenues	35.17	26.28	11.30	3.08	2.40
	5,193.75	4,513.34	3,383.05	2,665.83	2,148.18
Other Income	48.15	39.72	23.78	36.34	13.72
Total Revenue	5,241.90	4,553.06	3,406.83	2,702.17	2,161.90
EXPENSES					
Purchase of stock-in-trade	1,493.73	1,354.20	1,057.85	828.34	637.10
(Increase)/ Decrease in stock-in-trade	(33.39)	(20.11)	(22.61)	(17.48)	(20.74)
Employee benefits expense	815.10	767.64	534.73	421.53	322.84
Finance costs	342.28	322.29	291.78	239.75	136.11
Depreciation and amortisation expense	398.25	361.76	295.74	237.68	176.06
Other expenses	2,155.91	2,029.17	1,350.79	1,021.13	830.30
Total Expenses	5,171.88	4,814.95	3,508.28	2,730.95	2,081.67
Profit/(Loss) before tax and exceptional items	70.02	(261.89)	(101.45)	(28.78)	80.23
EXCEPTIONAL ITEMS					
Effect of increase / (decrease) in profits					
Net loss relating to Hospital unit closed during the year	(42.51)	-	-	-	-
Net loss on vacation of leased Hospital premises during the year	(3.11)	-	-	-	-
Provision for impairment in goodwill	-	(4.63)	-	-	-
Total Exceptional Items	(45.62)	(4.63)	-	-	-
Profit/(Loss) before tax	24.40	(266.52)	(101.45)	(28.78)	80.23
TAX EXPENSE					
(a) Current tax expense	35.69	46.90	5.42	4.19	23.79
(b) (Less): MAT credit	-	-	(3.54)	(4.19)	(13.05)
(c) Provision for MAT credit entitlement	6.94	-	-	-	-
(d) Deferred tax	(59.46)	6.62	5.26	2.27	(0.94)
Net tax expense	(16.83)	53.52	7.14	2.27	9.80
Profit / (Loss) after tax before share of profit/ (loss) of minority interest	41.23	(320.04)	(108.59)	(31.05)	70.43
Share of profit of minority interest	35.77	35.49	(3.45)	2.26	7.44
Net Profit / (Loss) for the year (as restated)	5.46	(355.53)	(105.14)	(33.31)	62.99

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	(₹ in million)	
	March 31, 2012	March 31, 2011			
A. Cash flow from operating activities					
Profit / (Loss) before tax, as restated	24.40	(266.54)	(101.46)	(28.78)	80.23
<i>Adjustments for:</i>					
Depreciation and amortisation expense	405.01	361.76	295.74	237.68	176.06
(Profit) / Loss on sale / write off of assets (net)	6.51	7.11	3.69	0.03	2.86
Expense on employee stock option scheme	11.98	8.89	4.50	5.03	3.98
Finance costs	323.26	302.60	275.21	210.62	127.94
Interest income	(31.50)	(18.07)	(7.72)	(4.71)	(0.99)
Dividend income	-	(0.20)	-	(0.91)	(2.60)
Net (gain) / loss on sale of investments	-	(5.41)	(0.03)	(0.35)	-
Liabilities / provisions no longer required written back	(2.38)	(3.26)	(2.47)	(17.72)	(3.75)
Provision for doubtful trade and other receivables, loans and advances	25.36	153.05	27.56	29.60	9.64
Write-off of leasehold improvements	3.13	-	-	-	-
Write-back of provision for rent straightlining due to termination of lease agreement	(2.25)	-	-	-	-
Provision for impairment in goodwill	-	4.63	-	-	-
Unrealised foreign exchange loss	-	-	-	0.14	(0.63)
Operating profit / (loss) before working capital changes	763.52	544.56	495.02	430.63	392.74
<i>Changes in working capital:</i>					
<i>Adjustments for (increase) / decrease in operating assets:</i>					
Inventories	(25.70)	(20.11)	(22.61)	(17.48)	(21.46)
Trade receivables	(125.20)	(74.08)	(193.53)	(167.94)	(153.06)
Short-term loans and advances	(22.77)	(1.46)	0.44	(16.97)	31.96
Long-term loans and advances	(91.71)	(57.91)	(36.60)	(7.06)	8.93
Other current assets	(10.01)	(7.63)	(5.17)	(21.55)	2.24
<i>Adjustments for increase / (decrease) in operating liabilities:</i>					
Trade payables	135.06	181.63	131.17	18.65	134.93
Other current liabilities	28.47	26.80	9.84	17.28	7.09
Short-term provisions	9.38	20.44	1.76	8.03	(8.94)
Long-term provisions	0.78	(10.44)	6.56	(6.61)	16.87
Cash generated from operations	661.82	601.80	386.88	236.98	411.30
Net income tax (paid) / refunds	(65.29)	(87.58)	(75.62)	(50.11)	(47.58)
Net cash flow from / (used in) operating activities (A)	596.53	514.22	311.26	186.87	363.72
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(801.98)	(507.11)	(894.69)	(462.05)	(502.49)
Proceeds from sale of fixed assets	0.81	2.19	0.70	-	0.27
Purchase / acquisition of long-term investments:					
- in subsidiaries	(37.88)	(150.20)	(452.28)	-	-
- in associates	-	(18.80)	(1.00)	-	-
- Others	-	-	(0.04)	-	-
Current investment not considered as cash and cash equivalents					
- Purchased	-	-	(603.72)	(213.46)	(99.10)
- Proceeds from sale	-	609.13	0.89	221.29	285.08
Inter-corporate deposits given	(22.16)	(50.00)	-	-	-
Inter-corporate deposits received	50.00	-	-	-	-
Deposits placed for margin money	(17.11)	(14.27)	(24.68)	(10.52)	(31.34)
Realisation from margin money deposits	-	0.25	-	-	-
Interest received	31.20	12.58	4.69	4.62	1.15
Dividend received	-	0.20	-	0.91	2.60
Net cash flow from / (used in) investing activities (B)	(797.12)	(116.03)	(1,970.13)	(459.21)	(343.83)
C. Cash flow from financing activities					

Particulars	For the year ended				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
(₹ in million)					
Proceeds from issue of equity shares	100.00	149.99	799.99	433.12	144.91
Share issue expenses	-	(0.17)	(2.55)	-	(1.08)
Transfer of unclaimed dividend to Investor Education and Protection Fund	-	-	-	-	(0.01)
Amount received from minority shareholders in the subsidiaries	21.52	18.39	12.38	5.00	18.43
Proceeds from long-term borrowings	620.16	799.01	887.63	433.45	224.66
Repayment of long-term borrowings	(335.39)	(756.98)	(195.94)	(554.07)	(403.74)
Net increase / (decrease) in short-term borrowings	162.73	(250.23)	272.24	261.45	153.89
Finance costs	(303.38)	(278.52)	(258.40)	(198.02)	(145.49)
Proceeds from inter-corporate deposits taken	-	50.00	-	-	-
Repayment of inter-corporate deposits	(50.00)	-	-	-	-
Dividend paid by subsidiary to its minority shareholders (including dividend tax thereon)	-	-	(119.39)	-	-
Net cash flow from / (used in) financing activities (C)	215.64	(268.51)	1,395.96	380.93	(8.43)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	15.05	129.68	(262.91)	108.59	11.46
Cash and cash equivalents at the beginning of the period/ year	223.03	93.35	162.92	54.33	42.87
Cash and bank balances on acquisition of subsidiaries during the period/ year	9.44	-	193.34	-	-
Cash and cash equivalents at the end of the year	247.52	223.03	93.35	162.92	54.33
Cash and cash equivalents as per Balance Sheet, as restated	269.54	254.77	106.67	166.27	57.53
Less: deposits held as margin money against guarantee not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	(22.02)	(31.74)	(13.32)	(3.35)	(3.20)
Cash and cash equivalents as per AS 3 Cash Flow Statements	247.52	223.03	93.35	162.92	54.33

Auditor Qualifications and Adverse Remarks

The Auditor has not made any qualifications of adverse remarks in the last five Financial Years.

Non-GAAP Financial Information

The table below sets out a reconciliation of the Company's profit after tax to EBITDA:

(₹ in million)					
	As of the Fiscal Year ended March 31,				
	2015	2014	2013	2012	2011
Profit after tax	41.23	(320.04)	(108.59)	(31.05)	70.43
Tax expense	(16.83)	53.52	7.14	2.27	9.80
Profit/ (loss) before tax	24.40	(266.52)	(101.45)	(28.78)	80.23
Finance costs	342.28	322.29	291.78	239.75	136.11
Depreciation and amortisation expense	398.25	361.76	295.74	237.68	176.06
Exceptional Items	45.62	4.63	-	-	-
EBITDA before exceptional items	810.55	422.16	486.07	448.65	392.40

EBITDA refers to income/(loss) from operations before depreciation and amortisation. EBITDA presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indian GAAP, IFRS or U.S. GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/ loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

THE OFFER

The following table summarises the Offer details:

Equity Shares Offered	
Offer of Equity Shares	Up to 31,098,000 Equity Shares, aggregating up to ₹[●] million
<i>of which</i>	
Fresh Issue ⁽¹⁾	Up to 11,600,000 Equity Shares, aggregating up to ₹[●] million
Offer for Sale ⁽²⁾	Up to 19,498,000 Equity Shares, aggregating up to ₹[●] million
A) QIB portion ^{*(3)(4)}	At least 23,323,500 Equity Shares
<i>of which:</i>	
Anchor Investor Portion*	Up to 13,994,100 Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)*	9,329,400 Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion excluding the Anchor Investor Portion)*	466,470 Equity Shares
B) Non-Institutional Portion*	Not more than 4,664,700 Equity Shares
C) Retail Portion*	Not more than 3,109,800 Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	72,839,976 Equity Shares
Equity Shares outstanding after the Offer*	84,439,976 Equity Shares
Use of Net Proceeds	
	See “Objects of the Offer” on page 110 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

*Assuming full subscription in the Offer

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see “Offer Procedure - Basis of Allotment” on page 361.

- (1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated May 29, 2015 and a resolution of our Shareholders in their EGM dated June 15, 2015
- (2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent/authorisation
AOPL	579,948	April 10, 2015
Dr. BS Ajai Kumar	183,260	June 15, 2015
Dr. G Kilara	30,000	May 14, 2015
Dr. K Harish jointly with Shubha Harish	5,594	May 14, 2015
Dr. Nalini Kilara	5,000	May 14, 2015
Shubha Harish jointly with Dr. K Harish	11,804	May 14, 2015
Ganga Ramaiah	15,000	May 29, 2015
Gangadhara Ganapati	600,000	June 16, 2015
MAT of which Shachindra Nath is the trustee	334,327	June 9, 2015
MPEF through its scheme India Build-Out Fund-I, of which IL&FS Trust Company Limited is a Trustee	6,104,465	June 9, 2015
PIOF	7,690,000	July 8, 2015
Rajesh Ramaiah	15,000	May 29, 2015
V-Sciences	3,923,602	July 16, 2015

The Equity Shares being offered by the Other Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer. The Investor Selling Shareholders, severally and not jointly, specifically confirm that the proportion of the Equity Shares offered by each of the Investor Selling Shareholders by way of the Offer for Sale in the Offer, have been held by such Investor Selling Shareholder for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer.

- (3) *Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 466,470 Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 319. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations*
- (4) *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 at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange*

GENERAL INFORMATION

Registered office

HealthCare Global Enterprises Limited

HCG Tower
No. 8, P Kalinga Rao Road
Sampangi Rama Nagar
Bengaluru 560 027
Karnataka, India
Tel: +91 80 4660 7700
Fax: +91 80 4660 7749
E-mail: investors@hcgoncology.com
Website: www.hcgel.com

Corporate Identification Number: U15200KA1998PLC023489

Registration Number: 023489

Address of the RoC

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

Registrar of Companies

“E” Wing, 2nd Floor
Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Dr. BS Ajai Kumar	Chairman and Chief Executive Officer	00713779	850, Park House, Mirza Road, Nazarbad, Mysuru 570 010, Karnataka, India
Gangadhara Ganapati	Non-Executive Director	00489200	2671 Marshall Drive, Palo Alto, CA 94303, United States of America
Prakash Parthasarathy	Non-Executive, Nominee Director	02011709	No. 5B, EPIP Zone, Behind SAP Labs, Whitefield, Bengaluru 560 048, Karnataka, India
Dr. Jennifer Gek Choo Lee	Non-Executive, Nominee Director	01095502	206, Ocean Drive, 05-08 Singapore 098 267
Rajesh Singhal	Non-Executive, Nominee Director	01415174	C-302, Lakshchandi Heights, Gokuldham, Goregaon (East), Mumbai 400 063, Maharashtra, India
Sudhakar Rao	Non-Executive, Independent Director	00267211	Apartment D, I Floor, Spring Leaf Apartments, No. 6, Brunton Cross Road, Bengaluru 560 025, Karnataka, India
Shanker Annaswamy	Non-Executive, Independent Director	00449634	Villa No A-265, East Drive Prestige Ozone, Whitefield Main Road, Whitefield, Bengaluru 560 066, Karnataka, India
Sampath Thattai Ramesh	Non-Executive, Independent Director	03522398	No. 5 Classic Orchids, Behind Meenakshi Temple, PH-2 Kothanur Village, off BGT Bengaluru 560 076, Karnataka, India
Suresh Chandra Senapaty	Non-Executive, Independent Director	00018711	301, Brigade Lavelle I, Lavelle Road Bengaluru 560 001, Karnataka, India
Bhushani Kumar	Non-Executive, Independent Director	07195076	No. 13/6, 6th cross, Ashok Nagar, Banashankari 1st stage, Bengaluru 560 050, Karnataka, India

For further details of our Directors, see “Our Management” on page 193.

Company Secretary and Compliance Officer

Sunu Manuel

Tower Block
Unity Building Complex
No. 3, Mission Road
Bengaluru 560 027
Karnataka, India
Tel: +91 80 4660 7700
Fax: +91 80 4660 7749
E-mail: sunumanuel@hcgoncology.com

Chief Financial Officer

Krishnan Subramanian

Tower Block
Unity Building Complex
No. 3, Mission Road
Bengaluru 560 027
Karnataka, India
Tel: +91 80 4660 7700
Fax: +91 80 4660 7749
E-mail: krishnan.s@hcgoncology.com

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 and non receipt of funds by electronic mode.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, 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 Syndicate Member at the Specified Locations or Registered Broker where the Bid cum Application Form was submitted by the ASBA Bidder.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Brokers with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex,
Bandra (East)
Mumbai - 400 051
Maharashtra, India
Tel: +91 22 4336 0000
Fax: +91 22 6713 2447
Email: hcg.ipo@kotak.com
Investor grievance e-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Edelweiss Financial Services Limited

14th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: hcg.ipo@edelweissfin.com
Investor grievance email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Siddharth Shah/Vivek Kumar
SEBI Registration No.: INM0000010650

Goldman Sachs India (Securities) Private Limited

Rational House
 951-A, Appasaheb Marathe Marg, Prabhadevi
 Mumbai - 400 025
 Maharashtra, India
 Tel: +91 22 6616 9000
 Fax: : +91 22 6616 9001
 E-mail: gs-hcg-ipo@gs.com
 Investor grievance email: india-client-support@gs.com
 Website: www.goldmansachs.com
 Contact Person: Dipak Daga
 SEBI Registration No.: INB231277832

IDFC Securities Limited

Naman Chambers, C-32, "G"Block
 Bandra Kurla Complex
 Bandra (East), Mumbai 400 051
 Maharashtra, India
 Tel: +91 22 6622 2600
 Fax: +91 22 6622 2501
 Email: hcg.ipo@idfc.com
 Investor grievance email: investorgrievance@idfc.com
 Website: www.idfccapital.com
 Contact Person: Gaurav Goyal
 SEBI Registration No.: MB/INM000011336

IIFL Holdings Limited

8th Floor, IIFL Centre
 Kamala City
 Senapati Bapat Marg
 Lower Parel (West)
 Mumbai 400 013
 Maharashtra, India
 Tel: +91 22 4646 4600
 Fax: +91 22 2493 1073
 Email: hcg.ipo@iiflcap.com
 Investor grievance email: ig.ib@iiflcap.com
 Website: www.iiflcap.com
 Contact Person: Pinak Bhattacharyya/Vishal Bangard
 SEBI Registration No.: INM000010940

Yes Bank Limited

Yes Bank Tower
 IFC, Tower 2, 18th Floor
 Senapati Bapat Marg
 Elphinstone (West)
 Mumbai 400 013
 Maharashtra, India
 Tel: +91 22 3366 9000
 Fax: +91 22 2421 4508
 Email: dlhcgipo@yesbank.in
 Investor grievance email: merchantbanking@yesbank.in
 Website: www.yesbank.in
 Contact Person: Dhruvin Mehta
 SEBI Registration No.: MB/INM000010874

Syndicate Members

[•]

Indian Legal Counsel to our Company

Cyril Amarchand Mangaldas
 201, Midford House, Midford Garden
 Off MG Road
 Bengaluru 560 001
 Karnataka, India
 Tel: +91 80 2558 4870
 Fax: +91 80 2558 4266

Indian Legal Counsel to the BRLMs

AZB & Partners
 AZB House
 67/4, 4th Cross, Lavelle Road
 Bengaluru 560 001
 Karnataka, India
 Tel: +91 80 4240 0500
 Fax: +91 80 2221 3947

AZB & Partners
 AZB House
 Plot No. A8, Sector 4
 Noida – 201 301
 India
 Tel: +91 12 0388 7900
 Fax: +91 12 0417 9900

International Legal Counsel to the BRLMs

Clifford Chance Pte. Ltd.
 12, Marina Boulevard
 25th Floor, Tower 3
 Marina Bay Financial Centre
 Singapore 018 982
 Tel: +65 6410 2200
 Fax: +65 6410 2288

Indian Legal Counsel to V-Sciences

J. Sagar Associates
 Vakils House
 18, Sprott Road, Ballard Estate
 Mumbai 400 001
 Maharashtra, India
 Tel: +91 22 4341 8600
 Fax: +91 22 4341 8617

Auditors to our Company

Deloitte Haskins & Sells
 Chartered Accountants
 Deloitte Centre
 Anchorage II

100/2, Richmond Road
Bengaluru 560 025
Karnataka, India
Email: vbalaji@deloitte.com
Tel: +91 80 6627 6000
Fax no: +91 80 6627 6401
Firm Registration No.: 008072S
Peer Review No.: 006002

Registrar to the Offer

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32
Gacchibowli, Financial District
Nanakramguda, Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor grievance email: hcglobal.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Rakesh Santhalia
SEBI Registration No.: INR000000221

Bankers to the Offer and/or Escrow Collection Banks

●

Refund Bankers

●

Bankers to our Company

Yes Bank Limited

1st Floor, Prestige Obelisk
Municipal No. 3
Kasturba Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 3042 9060
Fax: +91 80 4017 9001
Email: akash.kishore@yesbank.in
Website: www.yesbank.in
Contact Person: Akash Kishore

HDFC Bank Limited

FIG - OPS Department, Lodha
I Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station (East)
Mumbai 400 042
Maharashtra, India
Tel: +91 22 3075 2928
Fax: + 91 22 2579 9809
Email: uday.dixit@hdfc.com
Website: www.hdfcbank.com
Contact Person: Uday Dixit

Self Certified Syndicate Banks

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

Registered Brokers

Bidders can submit Bid cum Application 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, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm, respectively, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated July 13, 2015 on the Restated Financial Statements

of our Company and the statement of tax benefits dated July 11, 2015, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. As the Equity Shares in the Offer will not be registered under the Securities Act, any references to the term “expert” herein and the Auditor's consent to be named as an “expert” to the Offer are not in the context of a registered offering of securities under the Securities Act.

Monitoring Agency

In terms of Regulation 16 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹5,000 million.

Appraising Entity

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

Inter-se allocation of Responsibilities:

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

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of our Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	All BRLMs	Kotak
2.	Drafting and approval of all statutory advertisements	All BRLMs	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above including corporate advertising, brochures, etc.	All BRLMs	Edelweiss
4.	Appointment of Intermediaries - Registrar to the Offer, printers and Banker(s) to the Offer (including co-ordinating all agreements to be entered with such parties)	All BRLMs	Yes Bank
5.	Appointment of Intermediaries - advertising agency (including co-ordinating all agreements to be entered with such parties)	All BRLMs	Edelweiss
6.	Non-Institutional and retail marketing of the Offer, which will cover, <i>inter alia</i> : - Finalising media, marketing and public relations strategy - Finalising centres for holding conferences for brokers etc. - Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material - Finalising collection centres	All BRLMs	Edelweiss
7.	Domestic Institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Institutional marketing strategy - Finalizing the list and division of domestic investors for one-to-one meetings - Finalizing domestic road show and investor meeting schedule	All BRLMs	IIFL
8.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Institutional marketing strategy - Finalizing the list and division of international investors for one-to-one meetings - Finalizing international road show and investor meeting schedule - Marketing and road-show presentation and preparation of frequently asked questions for the road show team	All BRLMs	GS
9.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading	All BRLMs	IDFC
10.	Managing the book and finalization of pricing in consultation with the Company	All BRLMs	IIFL

Sr. No	Activity	Responsibility	Co-ordinator
11.	Post-bidding activities, including management of escrow accounts, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow-up steps, including finalisation of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Offer, the Bankers to the Offer, the bank handling refund business and the SCSBs. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	All BRLMs	IDFC

Credit Rating

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

Trustees

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

Book Building Process

The 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 within the Price Band, which will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs, and advertised in [•] edition of [•], [•] edition of [•] and [•] edition of [•], which are widely circulated English, Hindi and Kannada newspapers respectively (Kannada being the regional language of Karnataka where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company in consultation with the Investor Selling Shareholders and the BRLMs after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Bank(s).

In terms of Rule 19(2)(b)(ii) of the SCRR and in accordance with Regulation 26(2) of the SEBI ICDR Regulations, the Offer is being made for at least such percentage of Equity Shares equivalent to the value of ₹4,000 million and the post-Offer capital of our Company at the Offer Price is more than ₹16,000 million but less than or equal to ₹40,000 million. The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company in consultation with the Investor Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which atleast one-third will be available for allocation to domestic Mutual Funds only subject to valid Bids being received at or above the Anchor Investor Offer Price, in accordance with SEBI ICDR Regulations. In the event of non Allotment in the

Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the net QIB Portion.

5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the 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 of under subscription in the Mutual Fund portion, the balance Equity Shares in the Mutual Fund portion will be allocated to QIBs on a proportionate basis, subject to valid bids being received at or above the Offer Price.

Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% 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. Under subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange. For further details, please see “*Offer Procedure*” on page 319.

QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Offer only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see “*Offer Procedure*” on page 319.

Our Company and Other Selling Shareholders will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Offer. The Investor Selling Shareholders severally and not jointly confirm that it will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI, as applicable to such Investor Selling Shareholder in relation to the Equity Shares offered by such Investor Selling Shareholder under the Offer for Sale. In this regard, our Company, the Investor Selling Shareholders and Other Selling Shareholders have appointed the BRLMs to manage the Offer and procure Bids for the Offer.

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

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see “*Offer Procedure – Who Can Bid?*” on page 321);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “*Offer Procedure*” on page 319);
4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;

6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the Bidding centers or the Registered Brokers at the Broker Centers; and
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected and ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time).

For further details on the method and procedure for Bidding, see “Offer Procedure” on page 319.

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

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at Bidding centres during the Bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

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

Allotment to Retail Individual Investors and Minimum Bid Lot

In the event, the Bids received from Retail Individual Investors exceeds 3,109,800 Equity Shares, then the maximum number of Retail Individual Investors who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Investors by the minimum Bid Lot (“**Maximum RIB Allottees**”). The allocation/Allotment to Retail Individual Investors will then be made in the following manner:

- (i) In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Investors shall be allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on a proportionate basis to the Retail Individual Investors who have received allocation as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot)

- (ii) In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Investors (in that category) who will then be allocated minimum Bid Lot shall be determined on draw of lots basis

For details, see “Offer Procedure” on page 319.

Underwriting Agreement

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, the Investor Selling Shareholders and the Other Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), 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). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

As on the date of this Draft Red Herring Prospectus, Yes Bank Limited is a BRLM to the Offer and also a banker to our Company. Our Company proposes to utilise a portion of the Net Proceeds towards repayment of certain loans availed from Yes Bank Limited. For details see “Objects of the Offer” on page 110.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	127,000,000 Equity Shares of face value of ₹10 each	1,270,000,000	
	Total	1,270,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	72,839,976 Equity Shares of face value of ₹10 each	728,399,760	
	Total	728,399,760	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Fresh Issue of up to 11,600,000 Equity Shares aggregating to ₹[•] ⁽²⁾	11,600,000	[•]
	Offer for Sale of up to 19,498,000 Equity Shares ⁽³⁾	19,498,000	[•]
D	SECURITIES PREMIUM ACCOUNT		
	Before the Offer	2,524,739,182	
	After the Offer		[•]
F	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	84,439,976 Equity Shares (assuming full subscription in the Offer)	844,399,760	

(1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 177

(2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated May 29, 2015 and a resolution of our Shareholders in their Extraordinary General Meeting dated June 15, 2015

(3) For details of authorisations received for the Offer for Sale, see "The Offer" on page 63. The Equity Shares being offered by the Other Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer. The Investor Selling Shareholders, severally and not jointly, specifically confirm that the proportion of the Equity Shares offered by each of the Investor Selling Shareholders by way of the Offer for Sale in the Offer, have been held by such Investor Selling Shareholder for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer.

Notes to the Capital Structure

1. Equity Share Capital History of our Company

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

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
March 2, 1998	20	100.00	100.00	Cash	Initial subscribers to the Memorandum of Association	20	2,000.00
April 4, 2000	27,030	100.00	370.00	Cash	Allotment	27,050	2,705,000.00
April 4, 2000	12,700	100.00	370.00	Other than Cash	Allotment made pursuant to transfer of plant and machinery to our Company from Soni Medical Resources Private Limited	39,750	3,975,000.00

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
Sub Total	39,750	100.00					
October 13, 2005	3,97,500	10.00	-	-	Subdivision of the face value of the Equity Shares from ₹100 each to ₹10 each	3,97,500	3,975,000.00
October 13, 2005	292,958	10.00	-	Other than cash	Bonus issue in the ratio of 737 Equity Shares for every 1,000 Equity Shares	690,458	6,904,580.00
November 7, 2005	43,350	10.00	11.00	Cash	Allotment	733,808	7,338,080.00
November 11, 2005	19,000	10.00	33.00	Cash	Allotment	752,808	7,528,080.00
November 12, 2005	15,424	10.00	46.03	Cash	Allotment	768,232	7,682,320.00
November 14, 2005	405,305	10.00	47.99	Cash	Allotment	1,173,537	11,735,370.00
November 21, 2005	242,800	10.00	49.22	Cash	Allotment	1,416,337	14,163,370.00
November 24, 2005	21,250	10.00	70.00	Cash	Allotment	1,437,587	14,375,870.00
November 30, 2005	3,400	10.00	158.53	Cash	Allotment	1,440,987	14,409,870.00
December 7, 2005	81,530	10.00	220.00	Cash	Allotment	1,522,517	15,225,170.00
December 21, 2005	100	10.00	-	Other than cash	Allotment in consideration of the acquisition of 93,500 optionally fully convertibles debentures and 2,150 equity shares of the face value of ₹1 each of Triesta Sciences India Private Limited	1,522,617	15,226,170.00
March 3, 2006	74,412	10.00	-	Other than cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated March 2, 2006	1,597,029	15,970,290.00
March 3, 2006	362,681	10.00	47.99	Cash	Allotment	1,959,710	19,597,100.00
March 25, 2006	207,147	10.00	47.99	Cash	Allotment	2,166,857	21,668,570.00
June 30, 2006	290,400	10.00	-	Other than cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated June 26, 2006	2,457,257	24,572,570.00
June 30, 2006	705,347	10.00	47.99	Cash	Allotment	3,162,604	31,626,040.00

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
July 7, 2006	819,321	10.00	305.13	Cash	Allotment	3,981,925	39,819,250.00
February 2, 2007	17,378	10.00	328.00	Cash	Allotment	3,999,303	39,993,030.00
March 29, 2007	22,408	10.00	328.00	Cash	Allotment	4,021,711	40,217,110.00
March 29, 2007	55,336	10.00	-	Other than Cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 4.68 equity shares of BMORCL pursuant to an agreement dated December 26, 2006	4,077,047	40,770,470.00
March 31, 2007	641,025	10.00	351.00	Cash	Allotment	4,718,072	47,180,720.00
April 25, 2007	11,795,180	10.00	-	Other than cash	Bonus issue in the ratio of 2.50 Equity Shares for every 1 Equity Share	16,513,252	165,132,520.00
August 2, 2007	2,867,624	10.00	87.18	Cash	Allotment	19,380,876	193,808,760.00
August 2, 2007	4,667	10.00	107.14	Cash	Allotment	19,385,543	193,855,430.00
September 3, 2007	102,536	10.00	-	Other than cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 1.43 equity shares of BMORCL pursuant to an agreement dated May 28, 2007	19,488,079	194,880,790.00
January 17, 2008	15,462	10.00	-	Other than cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 1.43 equity shares of BMORCL pursuant to an agreement dated August 28, 2007	19,503,541	195,035,410.00
April 23, 2008	1,033,056	10.00	121.43	Cash	Allotment	20,536,597	205,365,970.00
April 23, 2008	3,293,808	10.00	121.43	Cash	Allotment	23,830,405	238,304,050.00 ⁽¹⁾
November 11, 2008	23,830,405	10.00	-	Other than cash	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share	47,660,810	476,608,100.00
November 11, 2008	1,269	10.00	-	Other than cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 0.867 equity shares of BMORCL pursuant to an	47,662,079	476,620,790.00

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
					agreement dated November 8, 2008		
July 14, 2009	210,611	10.00	-	Other than Cash	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 0.867 equity shares of BMORCL pursuant to an agreement dated March 17, 2009	47,872,690	478,726,900.00
February 11, 2010	4,177,546	10.00	57.45	Cash	Allotment	52,050,236	520,502,360.00
September 22, 2010	1,253,264	10.00	57.45	Cash	Allotment pursuant to conversion of warrants	53,303,500	533,035,000.00
June 17, 2011	4,965,903	10.00	86.30	Cash	Rights issue in the ratio of 11 Equity Shares for every 100 Equity Shares	58,269,403	582,694,030.00 ⁽²⁾
August 18, 2011	402,134	10.00	86.30	Cash	Allotment of unsubscribed portion of rights issue dated June 17, 2011	58,671,537	586,715,370.00 ⁽²⁾
September 29, 2011	124,636	10.00	86.30	Cash	Allotment of unsubscribed portion of rights issue dated June 17, 2011	58,796,173	587,961,730.00 ⁽²⁾
November 17, 2011	370,714	10.00	86.30	Cash	Allotment of unsubscribed portion of rights issue dated June 17, 2011	59,166,887	591,668,870.00 ⁽²⁾
November 17, 2011	104,854	10.00	-	Other than Cash	Allotment in the ratio of 9 Equity Shares for every 5 equity shares of BMORCL pursuant to the amalgamation of BMORCL with our Company	59,271,741	592,717,410.00
March 7, 2013	451,752	10.00	110.68	Cash	Allotment	59,723,493	597,234,930.00
March 7, 2013	5,421,034	10.00	110.68	Cash	Allotment	65,144,527	651,445,270.00
March 8, 2013	2,710,298	10.00	110.68	Cash	Allotment	67,854,825	678,548,250.00 ⁽³⁾
March 18, 2013	390,287	10.00	110.68	Cash	Allotment pursuant to the conversion of fully convertible debentures	68,245,112	682,451,120.00
August 27, 2014	579,948	10.00	-	Other than cash	Allotment in the ratio of 0.2668 Equity Shares for every 1 equity share of HCG Medi-Surge consequent to the transfer multi speciality division of HCG Medi-Surge to our Company	68,825,060	688,250,600.00
November	695,249	10.00	86.30	Cash	Allotment pursuant to	69,520,309	695,203,090.00

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
12, 2014					the conversion of warrants		
March 25, 2015	463,499	10.00	86.30	Cash	Allotment pursuant to conversion of warrants	69,983,808	699,838,080.00
April 9, 2015	46,836	10.00	86.30	Cash	Allotment pursuant to conversion of warrants	70,030,644	700,306,440.00
April 9, 2015	144,182	10.00	110.68	Cash	Allotment pursuant to conversion of warrants	70,174,826	701,748,260.00
April 10, 2015	846,760	10.00	-	Other than cash	Allotment in the ratio of 9 Equity Shares of our Company for every 23 equity shares of HCG Vijay pursuant to the amalgamation of HCG Vijay with our Company	71,021,586	710,215,860
May 29, 2015	882,267	10.00	10.00	Cash	Allotment of equity shares pursuant to ESOP 2010. For further information, refer to note 17 of this section	71,903,853	719,038,530
June 26, 2015	176,800	10.00	10.00	Cash	Allotment of equity shares pursuant to ESOP 2010. For further information, refer to note 17 of this section	72,080,653	720,806,530
June 26, 2015	759,323	10.00	110.68	Cash	Allotment on exercise of warrants	72,839,976	728,399,760

(1) Equity shares were partly paid-up as on the date of allotment and were made fully paid up on November 4, 2008

(2) Equity shares were partly paid-up as on the date of allotment and were made fully paid up on February 22, 2012

(3) Equity shares were partly paid-up as on the date of allotment and were made fully paid up on May 3, 2013

(b) The history of preference share capital of our Company is provided in the following table:

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue price per Preference Share (₹)	Consideration	Reason for allotment	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
December 21, 2005	19,130	10.00	230	Cash	Allotment to Sara Fund Trustee Company Limited ⁽¹⁾	19,130	191,300.00
	95,550	10.00	NA	Other than cash	Allotment in consideration of acquisition of 93,500 optionally fully convertibles debentures and 2,150 equity shares of face value of ₹1 each of Triesta Sciences India Private Limited to Sara Fund Trustee Company Limited ⁽¹⁾	114,680	1,146,800.00
June 30,	(114,680)	10.00	305.13	Cash	Redemption of	-	-

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue price per Preference Share (₹)	Consideration	Reason for allotment	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
2006					preference shares ⁽²⁾		

(1) 114,680 optionally convertible preference shares were issued by our Company pursuant to a shareholders agreement dated December 19, 2005 between our Company, Dr. BS Ajai Kumar, Gangadhara Ganapati and IL&FS Investment Mangers Limited and a board resolution dated December 21, 2005

(2) 114,680 optionally convertible preference shares were redeemed by our Company pursuant to a board resolution dated June 30, 2006

(c) The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus. Our Company has not issued any shares to members of our Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus.

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
1.	August 27, 2014	579,948	10.00	-	Other than cash	Allotment in the ratio of 0.2668 Equity Shares for every 1 equity share of HCG Medi-Surge consequent to the transfer of the multi speciality division of HCG Medi-Surge to our Company	Aastha Oncology Private Limited
2.	November 12, 2014	695,249	10.00	86.30	Cash	Allotment pursuant to conversion of warrants	Dr. BS Ajai Kumar
3.	March 25, 2015	463,499	10.00	86.30	Cash	Allotment pursuant to conversion of warrants	Dr. BS Ajai Kumar
4.	April 9, 2015	46,836	10.00	86.30	Cash	Allotment pursuant to conversion of warrants	Dr. BS Ajai Kumar
5.	April 9, 2015	144,182	10.00	110.68	Cash	Allotment pursuant to conversion of warrants	Dr. BS Ajai Kumar
6.	April 10, 2015	846,760	10.00	-	Other than cash	Allotment in the ratio of 9 Equity Shares of our Company for every 23 equity shares of HCG Vijay pursuant to the amalgamation of HCG Vijay with	Dr. M Gopichand

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
7.	May 29, 2015	882,267	10.00	10.00	Cash	our Company Allotment of Equity Shares pursuant to ESOP 2010	For details of allottees refer to footnote (1) to this table
8.	June 26, 2015	176,800	10.00	10.00	Cash	Allotment of Equity Shares pursuant to ESOP 2010	For details of allottees refer to footnote (2) to this table
9.	June 26, 2015	759,323	10.00	110.68	Cash	Allotment on conversion of warrants	Dr. BS Ajai Kumar

(1) List of allottees who were allotted Equity Shares pursuant to ESOP 2010 on May 29, 2015 are as follows:

Sl. No.	Name of Shareholder	Number of Shares
1.	A Sadasivam	82,000
2.	Dinesh Madhavan	54,200
3.	Dr. BS Ajai Kumar	257,700
4.	Dr. Diganta Hazarika	13,800
5.	Dr. G Kilara	23,100
6.	Dr. Ganesh Nayak	38,500
7.	Dr. KS Gopinath	38,500
8.	Dr. Kumara Swamy	26,469
9.	Dr. Mahesh Bandemegal	23,100
10.	Dr. Nalini Rao	15,400
11.	Dr. Naveen Nagar	22,400
12.	Dr. Ramesh S Billimagga	38,500
13.	Dr. Shekar Patil	66,900
14.	Dr. Shilpa Prabhudesai	30,800
15.	Gururaja Rao	19,200
16.	Jerrin Amalraj	6,900
17.	Mahadevappa SC	1,855
18.	Marian Jayson Vandan	4,900
19.	Mohan Kumar DS	7,700
20.	Mohan P	7,700
21.	MS Belliappa	12,243
22.	Pichandi A	23,100
23.	Prashant B Kurbert	7,700
24.	Raja Manikya Rao	15,400
25.	Shylaja Prabhakar	3,500
26.	Sunu Manuel	15,400
27.	Umesh S	13,800
28.	V Jayachandran	11,500

(2) List of allottees who were allotted Equity Shares pursuant to ESOP 2010 on June 26, 2015 is as follows:

Sl. No.	Name of Shareholder	Number of Shares
1.	Asha N	6,200
2.	Bharat Gadhavi	30,800
3.	Dr. Dinesh Chandra Katiyar	11,500
4.	Dr. Munish Gairola	53,800
5.	Dr. Prashant GR	7,700
6.	Dr. Radheshyam Naik	10,000
7.	Dr. Somorat Bhattacharjee	20,000
8.	Dr. Sridhar PS	23,100
9.	Girish Mishra	3,500
10.	Padmaja S	6,200
11.	Wilfred Joseph	4,000

2. Issue of Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, see “Capital Structure – Share Capital History of our Company” from pages 74 to 78.

3. Issue of Equity Shares for consideration other than cash

Our Company has not issued any Equity Shares out of revaluation of reserves.

Except as set out below, we have not issued Equity Shares for consideration other than cash. No benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Reason for allotment
April 4, 2000 ⁽¹⁾	12,700	100.00	Equity Shares were allotted pursuant to the transfer of plant and machinery to our Company from Soni Medical Resources Private Limited
October 13, 2005 ⁽²⁾	292,958*	10.00	Bonus issue in the ratio of 737 Equity Shares for every 1,000 Equity Shares
December 21, 2005 ⁽³⁾	100	10.00	Allotment in consideration of the acquisition of 93,500 optionally fully convertibles debentures and 2,150 equity shares of the face value of ₹1 each of Triesta Sciences India Private Limited
March 3, 2006 ⁽⁴⁾	74,412	10.00	Share swap of Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated March 2, 2006
June 30, 2006 ⁽⁵⁾	290,400	10.00	Share swap of the Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated June 26, 2006
March 29, 2007 ⁽⁶⁾	55,336	10.00	Share swap of the Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 4.68 equity shares of BMORCL pursuant to an agreement dated December 26, 2006
April 25, 2007 ⁽⁷⁾	11,795,180*	10.00	Bonus issue in the ratio of 2.50 Equity Shares for every 1 Equity Share
September 3, 2007 ⁽⁸⁾	102,536	10.00	Share swap of the Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 1.43 equity shares of BMORCL pursuant to an agreement dated May 28, 2007
January 17, 2008 ⁽⁹⁾	15,462	10.00	Share swap of the Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 1.43 equity shares of BMORCL pursuant to an agreement dated August 28, 2007
November 11, 2008 ⁽¹⁰⁾	23,830,405*	10.00	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share
November 11, 2008 ⁽¹¹⁾	1,269	10.00	Share swap of the Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 0.867 equity shares of BMORCL pursuant to an agreement dated November 8, 2008
July 14, 2009 ⁽¹²⁾	210,611	10.00	Share swap of the Equity Shares with the equity shares of BMORCL in the ratio of 1 Equity Share for every 0.867 equity shares of BMORCL pursuant to an agreement dated March 17, 2009
November 17, 2011 ⁽¹³⁾	104,854	10.00	Allotment in the ratio of 9 Equity Shares for every 5 equity shares of BMORCL pursuant to the amalgamation of BMORCL with our Company
August 27, 2014 ⁽¹⁴⁾	579,948	10.00	Allotment in the ratio of 0.2668 Equity Shares for every 1 equity share of HCG

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Reason for allotment
			Medi-Surge consequent to the transfer of the multi speciality division of HCG Medi-Surge to our Company
April 10, 2015 ⁽¹⁵⁾	846,760	10.00	Allotment in the ratio of 9 Equity Shares of our Company for every 23 equity shares of HCG Vijay pursuant to the amalgamation of HCG Vijay with our Company

* Bonus shares have been issued out of the securities premium account

List of allottees is as follows:

(1)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Soni Medical Resources Private Limited	12,700
(2)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Bhagya Ajai Kumar	73
	2.	Dr. BS Ajai Kumar	292,870
	3.	KP Shivaprasad	15
(3)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Sara Fund Trustee Company Private Limited	100
(4)	Sl. No.	Name of Shareholder	Number of Shares
	1.	BM Agadi	4,966
	2.	Dr. G Kilara	6,469
	3.	Dr. Ganesh Nayak	33,944
	4.	Dr. KG Kallur	10,438
	5.	Dr. KG Kallur jointly with Rekha K Kallur	1,766
	6.	Dr. Shekar Patil	13,941
	7.	Dr. Shekar Patil jointly with Dr. Akkamma Devi Patil	2,888
(5)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Aarthi Rao	525
	2.	Dr. Anand K	1,313
	3.	Dr. Balakrishna Shetty	2,281
	4.	Dr. BS Ramesh	28,107
	5.	Dr. BS Srinath	28,538
	6.	Dr. BS Srinath jointly with Vijaya	7,942
	7.	Dr. Ganesh Nayak	8,334
	8.	Dr. Giri	13,127
	9.	Dr. Jayanthi TV	2,063
	10.	Dr. KS Gopinath	44,278
	11.	Dr. KV Ashok	1,313
	12.	Dr. Manjunath Sastry	4,536
	13.	Dr. MS Tarakanath	578
	14.	Dr. Nalini Rao	7,027
	15.	Dr. Rajshekhar Nayak	52,946
	16.	Dr. Ram Mohan Tiwari	525
	17.	Dr. Ravi B Diwakar jointly with Amrutha	9,535
	18.	Dr. S Girish Rao jointly with Sujatha Girish	2,625
	19.	Dr. Sulochana Gunasheela	1,544
	20.	Dr. V Sudha	2,625
	21.	Dr. Vinod NK	525
	22.	P. Dayananda Pai	66,359
	23.	Sada Sharada Tumour and Research Institute	3,754
(6)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Adarsh	320
	2.	BGK Swamy	47
	3.	Dr. BS Ajai Kumar	2,682
	4.	Dr. BS Manjunath	588
	5.	Dr. K Harish jointly with Shubha Harish	720
	6.	Dr. KS Ravindranath	3,205
	7.	Dr. PS Reddy jointly with Sasikala	1,072
	8.	Dr. PS Reddy	235
	9.	Dr. Sanjiv Sharma,	1,790
	10.	Dr. Shivaramaiah jointly with Vineetha SM	2,137
	11.	Dr. Suresh Roy	4,701
	12.	Dr. Thejaswini B	4,273
	13.	Dr. Vasundara G Iyengar jointly with Gopal S Iyengar	10,684
	14.	Dr. Vijay Kumar Ahuja jointly with Anjali Ahuja	1,213
	15.	Dr. Vijayashree Murthy	1,863
	16.	Vyaydev Yale	1,175

	17.	Jayalakshmi MC	4,384
	18.	Mr. Jayasankar	425
	19.	Narasimha Murthy MG	105
	20.	Dr. Naveen Nagar	425
	21.	NS Chandra Shekara	1,408
	22.	Padmini Kumar jointly with Dr. Udaya Kumar	2,632
	23.	Poornima M Shenoy jointly with Dr. Ashok M Shenoy	214
	24.	Rishika S	4,273
	25.	Rishika S jointly with Dr. Shivaramaiah	2,137
	26.	Shubha Harish jointly with Dr. K Harish	1,519
	27.	Sudhir Pai jointly with Muktha Pai	427
	28.	Dr. Vishwanath Hiremath	682
(7)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Aarthi Rao	1,313
	2.	Anand Rajaraman	15,000
	3.	Aroon Raman	5,000
	4.	Aruna Korlimarla	1,000
	5.	Balaji Prabhakar	9,000
	6.	Bhagya Ajai Kumar	433
	7.	Divyalakshmi MG	250
	8.	Dr. Ajay Kumar Dewan jointly with Dr. Rupali Dewan	11,432
	9.	Dr. Anand K	3,283
	10.	Dr. Anula Jayasuriya	25,000
	11.	Dr. AVS Srikanth	7,500
	12.	Dr. Balakrishna Shetty	5,702
	13.	BGK Swamy	118
	14.	Dr. BM Agadi	12,415
	15.	Dr. BS Ajai Kumar	5,368,090
	16.	Dr. BS Amar Kumar	234,407
	17.	Dr. BS Manjunath	1,470
	18.	Dr. BS Ramesh	70,267
	19.	Dr. BS Srinath	71,345
	20.	Dr. BS Srinath jointly with Vijaya Srinath	19,855
	21.	Dr. Dinesh Chandra Dowal jointly with Jayashree Dowal	11,432
	22.	Dr. G Kilara	19,982
	23.	Dr. Ganesh Nayak	105,695
	24.	Dr. Giri	32,817
	25.	Dr. Jayanthi TV	5,157
	26.	Dr. K Harish jointly with Shubha Harish	1,800
	27.	Dr. KG Kallur	26,095
	28.	Dr. KG Kallur jointly with Rekha Kallur	4,415
	29.	Dr. KS Gopinath	110,695
	30.	Dr. KS Ravindranath	8,012
	31.	Dr. KV Ashok	3,283
	32.	Dr. Manjunath Shastry	11,340
	33.	Dr. MS Belliappa jointly with Shilpa Belliappa	1,525
	34.	Dr. Nalini Rao	17,567
	35.	Dr. Naveen Nagar	1,063
	36.	Dr. NS Chandra Shekara	3,520
	37.	Dr. PS Reddy	588
	38.	Dr. PS Reddy jointly with Sashikala	2,680
	39.	Dr. Rajsekhar Nayak	132,365
	40.	Dr. Ram Mohan Tiwari	1,313
	41.	Dr. Ravi B. Divakar jointly with Amrutha	23,837
	42.	Dr. S Girish Rao jointly with Sujatha Girish	6,562
	43.	Dr. Sanjiv Sharma	4,475
	44.	Dr. Shekar Patil	34,852
	45.	Dr. Shekar Patil jointly with Dr. Akkamma Devi Patil	7,220
	46.	Dr. Shivaramaiah jointly with Vineetha SM	5,343
	47.	Dr. Sudhir Rawal jointly with Dr. Seema Rawal	11,432
	48.	Dr. Sudhir S Pai jointly with Muktha Pai	1,068
	49.	Dr. Sulochana Gunasheela	3,860
	50.	Dr. Suresh Roy	11,752
	51.	Dr. Tarakanath	1,445
	52.	Dr. Tejaswini B	10,682
	53.	Dr. Vasundhara G Iyengar jointly with Gopal S Iyengar	26,710
	54.	Dr. V Lokesh	763
	55.	Dr. V Sudha	6,562
	56.	Dr. Vijay Kumar Ahuja jointly with Anjali Ahuja	3,033
	57.	Dr. Vijaydev Yale	2,938
	58.	Dr. Vijayshreemurthy	4,658

	59.	Dr. Vinod K Rustgi	25,000
	60.	Dr. Vinod NK	1,313
	61.	Dr. Vishwanath S Hiremath	1,705
	62.	Dr. Vivek Sama	38,110
	63.	Dr. YV Kesava Murthy	953
	64.	Edelweiss Capital Limited	3,825
	65.	Eswar Menon	35,000
	66.	Evolve India Life Sciences Fund LLC	1,602,562
	67.	Gangadhara Ganapati	692,707
	68.	Harshini PV	375
	69.	India Development Fund	2,048,302
	70.	Jayalakshmi MC	10,960
	71.	Jayasankar	1,063
	72.	Joseph Manoj Victor	1,000
	73.	Jyothi S Prabhu	2,000
	74.	KP Shiva Prasad	88
	75.	Mani G Subramanian	53,125
	76.	Narasimha Murthy MG	263
	77.	Natrajan Swaminathan	5,000
	78.	P Dayanand Pai	184,951
	79.	Padmini Kumar jointly with Dr. Uday Kumar	6,580
	80.	Poornima M Shenoy jointly with Dr. Ashok M Shenoy	535
	81.	Prakash Gangaram	5,000
	82.	R Adarsh	800
	83.	Raj Gollamudi	15,000
	84.	Raj Gulati	5,000
	85.	Ramachandra KG	250
	86.	Rashesh Shah	12,000
	87.	Ravi Chachra	6,000
	88.	Richa Saxena	85,625
	89.	Rishika jointly with Dr. Shivaramaiah	5,343
	90.	Rishika	10,683
	91.	Sada Sharada Tumour and Research Institute	9,385
	92.	Shankar Narayanan Madhava Menon jointly with Simmi Shankar Narayanan	153,135
	93.	Shankar T Shinde	750
	94.	Shivangi Wani	1,000
	95.	Shubha Harish jointly with Dr. K Harish	3,798
	96.	Srinath Prem Dore jointly with Shyama Dore	50,375
	97.	Srirangaraju SG	250
	98.	TR Srinivas	10,000
	99.	TS Sridhar	32,500
	100.	Tyagaraja Gangadharan	47,500
	101.	Tyagaraja Gangadharan jointly with V Vasudevan	56,625
	102.	BS Kanthraj	5,000
	103.	Veena Rajan	3,750
	104.	Venky Harinarayan	15,000
	105.	Vijay Pandey	1,000
	106.	Vijaya HM	125
	107.	Vijayan Balan	8,500
	108.	Vikram Limaye	3,000
	109.	YV Parthasarathy	953
(8)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Bharat M Mehta	1,923
	2.	Dr. Lata Ram	24,122
	3.	Dr. PG Shankar Giri	45,073
	4.	Dr. S Vijay Ram	23,726
	5.	IV Reetha	7,692
(9)	Sl. No.	Name of Shareholder	Number of Shares
	6.	Radhika Govindarajan	15,462
(10)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Aarthi Rao	1,838
	2.	Anand Rajaraman	21,000
	3.	Aroon Raman	7,000
	4.	Aruna Korlimarla	1,400
	5.	Balaji Prabhakar	12,600
	6.	Bennett Coleman & Co Limited	617,640
	7.	Bhagya Ajai Kumar	606
	8.	Bharat M Mehta	1,923
	9.	BS Kantharaj	7,000
	10.	Divyalakshmi MG	350

11.	Dr. Anand K	4,596
12.	Dr. AVS Srikanth	10,500
13.	Dr. Balakrishna Shetty	7,983
14.	BGK Swamy	165
15.	Dr. BM Agadi	17,381
16.	Dr. BS Ajai Kumar	7,584,685
17.	Dr. BS Amar Kumar	328,170
18.	Dr. BS Manjunath	2,058
19.	Dr. BS Ramesh	98,374
20.	Dr. BS Srinath	99,883
21.	Dr. BS Srinath jointly with Vijaya Srinath	27,797
22.	Dr. Dinesh Chandra Dowal jointly with Jayashree Dowal	16,005
23.	Dr. G Kilara	23,380
24.	Dr. Ganesh Nayak	147,973
25.	Dr. Giri	45,944
26.	Dr. Govind Babu	4,667
27.	Dr. Jayanthi TV	7,220
28.	Dr. K Harish jointly with Shubha Harish	2,520
29.	Dr. KG Kallur	36,533
30.	Dr. KG Kallur jointly with Rekha Kallur	6,181
31.	Dr. KS Gopinath	154,973
32.	Dr. KS Ravindranath	11,217
33.	Dr. KV Ashok	4,596
34.	Dr. Lata V Ram	24,122
35.	Dr. Manjunath Shastry	15,876
36.	Dr. MS Belliappa jointly with Shilpa Belliappa	2,135
37.	Dr. Nalini Rao	24,594
38.	Dr. Naveen Nagar	1,488
39.	Dr. NS Chandra Shekara	4,928
40.	Dr. PG Shankar Giri	45,073
41.	Dr. PS Reddy	823
42.	Dr. PS Reddy jointly with Sashikala	3,752
43.	Dr. Rajsekhar Nayak	185,311
44.	Dr. Ram Mohan Tiwari	1,838
45.	Dr. Ravi B Divakar jointly with Amrutha	33,372
46.	Dr. S Girish Rao jointly with Sujatha Girish	9,187
47.	Dr. S Vijay Ram	23,726
48.	Dr. Sanjiv Sharma	6,265
49.	Dr. Shekar Patil	48,793
50.	Dr. Shekar Patil jointly with Dr. Akkamma Devi Patil	10,108
51.	Dr. Shivaramaiah jointly with Vineetha SM	7,480
52.	Dr. Sudhir Rawal jointly with Dr. Seema Rawal	16,005
53.	Dr. Sudhir S Pai jointly with Muktha Pai	1,495
54.	Dr. Sulochana Gunasheela	5,404
55.	Dr. Suresh Roy	16,453
56.	Dr. Tarknath	2,023
57.	Dr. Tejaswini B	14,955
58.	Dr. V Lokesh	1,068
59.	Dr. V Sudha	9,187
60.	Dr. Vijay Kumar Ahuja jointly with Anjali Ahuja	4,246
61.	Dr. Vijaydev Yale	4,113
62.	Dr. Vijayshreemurthy	6,521
63.	Dr. Vinod K Rustgi	35,000
64.	Dr. Vinod NK	1,838
65.	Dr. Vishwanath S Hiremath	2,387
66.	Dr. YV Kesava Murthy	1,334
67.	Edelweiss Capital Limited	5,355
68.	Eswar Menon	49,000
69.	Evolve India Life Sciences Fund LLC	2,694,003
70.	Gangadhara Ganapati	977,158
71.	Harshini PV	525
72.	India Development Fund	5,735,247
73.	IV Reetha	7,692
74.	Jayalakshmi MC	15,344
75.	Jayasankar	1,488
76.	Joseph Manoj Victor	1,400
77.	Jyothi S Prabhu	2,800
78.	KP Shiva Prasad	123
79.	Mani G Subramanian	74,375
80.	Nalini Kilara	4,595
81.	Napean Investments and Trading Company Private Limited	3,293,808

	82.	Natrajan Swaminathan	7,000
	83.	P Dayanand Pai	258,932
	84.	Padmini Kumar jointly with Dr. Uday Kumar	9,212
	85.	Poornima M Shenoy jointly with Dr. Ashok M Shenoy	749
	86.	Prakash Gangaram	7,000
	87.	R Adarsh	1,120
	88.	Radhika Govindarajan	15,462
	89.	Raj Gollamudi	21,000
	90.	Ramachandra KG	350
	91.	Rashesh Shah	16,800
	92.	Ravi Chachra	8,400
	93.	Richa Saxena	119,875
	94.	Rishika	14,956
	95.	Rishika jointly with Dr. Shivaramaiah	7,480
	96.	Sada Sharada Tumour and Research Institute	13,139
	97.	Shankar Narayanan Madhava Menon jointly with Simmi Shankar Narayanan	214,389
	98.	Shankar T Shinde	1,050
	99.	Shivangi Wani	1,400
	100.	Shubha Harish jointly with Dr. K Harish	5,317
	101.	Srinath Prem Dore jointly with Shyama Dore	70,525
	102.	Srirangaraju SG	350
	103.	TR Srinivas	14,000
	104.	TS Sridhar	45,500
	105.	Tyagaraja Gangadharan	66,500
	106.	Tyagaraja Gangadharan jointly with V Vasudevan	79,275
	107.	Dr. Vasundara G Iyengar jointly with Gopal S Iyengar	37,394
	108.	Veena Rajan	5,250
	109.	Venky Harinarayan	21,000
	110.	Vijay Pandey	1,400
	111.	Vijaya HM	175
	112.	Vijayan Balan	11,900
	113.	Vikram Limaye	4,200
	114.	YV Parthasarathy	1,334
(11)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Dr. AC Sreeram	1,269
(12)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Varadaraj Ramaiah	210,611
(13)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Dr. BS Ajai Kumar	450
	2.	Bhagya Ajai Kumar	450
	3.	Jayasankar	20
	4.	Dr. Naveen Nagar	20
	5.	Dr. NS Sundar Rajan	39,600
	6.	Dr. Bhaskar C	19,800
	7.	Papanna and Chayadevi	7,200
	8.	MR Srinivasan	4,950
	9.	Papanna jointly with Shakuntala C and Susheela	3,600
	10.	Chayadevi jointly with Susheela C and Shakuntala	3,600
	11.	Susheela C jointly with Shakuntala and Papanna	3,600
	12.	V Krishnaprasad	3,600
	13.	Manjula Prakash	1,980
	14.	Prem Kumar	1,980
	15.	DM Purnesh	1,980
	16.	Ashok Kumar Srichand jointly with Ajita Totlani	1,800
	17.	Rajini KM Reddy	1,800
	18.	S Sainath	1,080
	19.	Dr. Rajashree Ganesh	900
	20.	Dr. Manjunath G	900
	21.	Dr. H. Chikkabyrappa	900
	22.	Dr. M Abdul Jaleel	594
	23.	MV Prasad,	396
	24.	Shumshine Fathima Jaleel	396
	25.	Dr. Mohmed Anwar	360
	26.	M Rajendra	360
	27.	R Mamatha	360
	28.	Tanvir Ahmed Anwar	270
	29.	Sarah Anwar	270
	30.	CS Thimaiah	180
	31.	K Shashikala	180
	32.	Manjunath V	180

	33.	S Shankara Narayana	180
	34.	Zeenat Ahmed	180
	35.	Shashid Ameer Ahmed	180
	36.	Dr. Reshma Naheed	180
	37.	Mohammed Mohsin	180
	38.	Tyagarajan RV	180
	39.	Narasimha Murthy	18
(14)	Sl. No.	Name of Shareholder	Number of Shares
	1.	AOPL	579,948
(15)	Sl. No.	Name of Shareholder	Number of Shares
	1.	Dr. M Gopichand	846,760

4. History of the Equity Share Capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 19,685,981 Equity Shares, equivalent to 27.03% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

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

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
Dr. BS Ajai Kumar	April 4, 2000	Allotment	27,030	Cash	100.00	370.00	0.04	0.03
	August 30, 2000	Transfer from Soni Medical Resources Private Limited	2,385	Cash	100.00	370.00	0.00*	0.00*
	March 17, 2004	Transfer to KP Shiv Prasad	(2)	Cash	100.00	100.00	0.00*	0.00*
	March 17, 2004	Transfer to Bhagya Ajai Kumar by way of gift	(10)	NA	100.00	-	0.00*	0.00*
	March 17, 2004	Transfer from Soni Medical Resources Private Limited	10,335	Cash	100.00	348.33	0.01	0.01
	October 13, 2005	Shareholding after subdivision of the face value of the Equity Shares from ₹100 each to ₹10 each	397,380	NA	10.00	-	0.55	0.47
	October 13, 2005	Bonus issue in the ratio of 737 Equity Shares for every 1,000 Equity Shares	292,870	Other than cash	10.00	-	0.40	0.35
	November 12, 2005	Allotment	15,424	Cash	10.00	46.03	0.02	0.02
	November 14, 2005	Allotment	405,305	Cash	10.00	47.99	0.56	0.48
	March 3, 2006	Allotment	362,681	Cash	10.00	47.99	0.50	0.43
	March 25, 2006	Allotment	207,147	Cash	10.00	47.99	0.28	0.25
	June 30, 2006	Allotment	705,347	Cash	10.00	47.99	0.97	0.84
	September 1, 2006	Transfer from Sara Fund Trustee	100	Cash	10.00	220.00	0.00	0.00

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
		Company Limited						
	October 18, 2006	Transfer to Shankar Narayanan Madhav Menon and Simmi Shankar Narayanan	(31,254)	Cash	10.00	47.99	(0.04)	(0.04)
	October 18, 2006	Transfer to BS Amar Kumar	(93,763)	Cash	10.00	47.99	(0.13)	(0.11)
	October 18, 2006	Transfer to Gangadhara Ganapati	(116,683)	Cash	10.00	47.99	(0.16)	(0.14)
	March 29, 2007	Swap of Equity Shares in the ratio of 1 Equity Share for every 4.68 equity shares of BMORCL transferred by the equity shareholders of BMORCL to our Company pursuant to an agreement dated December 26, 2006	2,682	Other than cash	10.00	-	0.00*	0.00*
	April 25, 2007	Bonus issue in the ratio of 2.50 Equity Shares for every 1 Equity Share	5,368,090	Other than cash	10.00	-	7.37	6.36
	October 11, 2007	Transfer from Dr. Vivek Sama	53,354	Cash	10.00	93.71	0.07	0.06
	September 29, 2008	Transfer from Dr. Ajay Kumar Dewan and Rupali Dewan	16,005	Cash	10.00	93.71	0.02	0.02
	November 11, 2008	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share	7,584,685	Other than cash	10.00	-	10.41	8.98
	November 18, 2010	Transfer from Dr. BS Manjunath	4,116	Cash	10.00	57.45	0.01	0.00
	June 17, 2011	Rights Issue in the ratio of 11 Equity Shares for every 100 Equity Shares	463,500	Cash	10.00	86.30	0.64	0.55
	November 17, 2011	Allotment of unsubscribed portion of rights issue	115,875	Cash	10.00	86.30	0.16	0.14
	November 17, 2011	Allotment in the ratio of 9 Equity Shares for every 5	450	Other than cash	10.00	-	0.00*	0.00*

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
		equity shares of BMORCL pursuant to the amalgamation of BMORCL with our Company						
	November 17, 2011	Transfer from Dr. Ram Mohan Tiwari	3,676	Cash	10.00	56.00	0.01	0.00*
	November 17, 2011	Transfer from Dr. MS Taraknath	4,046	Cash	10.00	56.00	0.01	0.00*
	February 22, 2012	Transfer from Dr. Amar Kumar	8,317	Cash	10.00	86.30	0.01	0.01
	November 23, 2012	Transfer from Bennett Coleman and Company Limited	576,103	Cash	10.00	86.79	0.79	0.68
	March 7, 2013	Transfer to V-Sciences Investments Pte Limited	(576,103)	Cash	10.00	100.28	(0.79)	(0.68)
	March 8, 2013	Transfer from Bennett Coleman and Company Limited	224,698	Cash	10.00	86.79	0.31	0.27
	March 18, 2013	Allotment pursuant to conversion of fully convertible debentures	191,317	Cash	10.00	110.68	0.26	0.23
	March 30, 2013	Transfer from Sada Sharada Tumour and Research Institute	26,278	Cash	10.00	86.00	0.04	0.03
	March 30, 2013	Transfer from Sada Sharada Diagnostic Urology and Rehabilitation Centre Private Limited	2,891	Cash	10.00	86.00	0.00*	0.00*
	March 30, 2013	Transfer from Dr. C Bhaskar	19,800	Cash	10.00	100.00	0.03	0.02
	July 11, 2013	Transfer from Umadevi V Nandi	3,410	Cash	10.00	95.00	0.00*	0.00*
	July 11, 2013	Transfer from S Tejaswini	1,080	Cash	10	95.00	0.00*	0.00*
	November 12, 2014	Allotment pursuant to conversion of warrants	695,249	Cash	10.00	86.30	0.95	0.82
	November 12, 2014	Transfer from Uday V Rao	1,093	Cash	10.00	95.00	0.00*	0.00*
	March 25, 2015	Allotment pursuant to conversion of warrants	463,499	Cash	10.00	86.30	0.64	0.55
	April 9,	Allotment	46,836	Cash	10.00	86.30	0.06	0.06

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
	2015	pursuant to conversion of warrants						
	April 9, 2015	Allotment pursuant to conversion of warrants	144,182	Cash	10.00	110.68	0.20	0.17
	April 10, 2015	Transfer to Aagnika Ajai Kumar by way of gift	(231,749)	-	10.00	-	(0.32)	(0.27)
	April 10, 2015	Transfer to Aagnika Ajai Kumar by way of gift	(23,418)	-	10.00	-	(0.03)	(0.03)
	April 10, 2015	Transfer to Aagnika Ajai Kumar by way of gift	(72,091)	-	10.00	-	(0.10)	(0.09)
	April 10, 2015	Transfer to Asmitha Ajai Kumar by way of gift	(72,091)	-	10.00	-	(0.10)	(0.09)
	April 10, 2015	Transfer to Asmitha Ajai Kumar by way of gift	(23,418)	-	10.00	-	(0.03)	(0.03)
	April 10, 2015	Transfer to Asmita Ajai Kumar by way of gift	(231,750)	-	10.00	-	0.32	0.27
	May 29, 2015	Allotment of equity shares pursuant to ESOP 2010	257,700	Cash	10.00	10.00	0.35	0.31
	June 26, 2015	Allotment pursuant to conversion of warrants	759,323	Cash	10.00	110.68	1.04	0.90
	July 6, 2015	Transfer to Bhupesh R Shah and Sonal Bhupesh Shah	(5,500)	Cash	10.00	110.68	(0.01)	(0.01)
	July 6, 2015	Transfer to Manoj P Vithalani	(1,800)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Pranav G Kharod	(1,800)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Gopal J Rawal	(1,807)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Jyotindra P Pandit	(1,800)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Prakash V Amin	(1,800)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Amit C Jhala	(3,600)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Sunil P Mehta	(1,800)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Bhupesh D Shah	(4,500)	Cash	10.00	110.68	(0.01)	(0.01)
	July 6, 2015	Transfer to Urman A	(3,600)	Cash	10.00	110.68	(0.00)*	(0.00)*

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
		Dhruv						
	July 6, 2015	Transfer to Tushar Soni	(3,600)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Harijit Singh Dumra	(1,800)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Jay M Shah and Anand Shukla	(4,600)	Cash	10.00	110.68	(0.01)	(0.01)
	July 6, 2015	Transfer to Ashish Mangilal Kaushal	(22,588)	Cash	10.00	110.68	(0.03)	(0.03)
	July 6, 2015	Transfer to Pramod Chinder	(2,711)	Cash	10.00	110.66	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Jagdish Chattrnalli	(1,807)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Basant Mahadevappa	(1,807)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Uday Bhaskar	(1,807)	Cash	10.00	110.68	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Mahesh Bandimegal	(2,259)	Cash	10.00	110.67	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Ashok KV	(994)	Cash	10.00	110.66	(0.00)*	(0.00)*
	July 6, 2015	Transfer to Dr. Shekar Patil	(9,035)	Cash	10.00	110.68	(0.01)	(0.01)
	July 9, 2015	Transfer to SR Parthasarathy	(45,175)	Cash	10.00	110.68]	(0.06)	(0.05)
Sub Total (A)			17,825,999				24.47	21.11***
Dr. Ganesh Nayak	March 3, 2006	Share swap in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated March 2, 2006	33,944	Other than Cash	10.00	-	0.05	0.04
	June 30, 2006	Share swap in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated June 26, 2006	8,334	Other than cash	10.00	-	0.01	0.01
	April 25, 2007	Bonus issue in the ratio of 2.50 Equity Shares for every 1 Equity Share	105,695	Other than cash	10.00	-	0.15	0.13
	November 11, 2008	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share	147,973	Other than cash	10.00	-	0.20	0.18

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
	June 17, 2011	Rights Issue in the ratio of 11 Equity Shares for every 100 Equity Shares	23,175	Cash	10.00	86.30	0.03	0.03
	June 27, 2012	Transfer to Dr. HN Chandrappa	(2,318)	Cash	10.00	86.30	(0.00)*	(0.00)*
	June 27, 2012	Transfer to Dr. Satish Kini	(8,111)	Cash	10.00	86.30	(0.01)	(0.01)
	June 27, 2012	Transfer to Dr. Nataraj KS	(2,317)	Cash	10.00	86.30	(0.00)*	(0.00)*
	March 18, 2013	Allotment pursuant to conversion of fully convertible debentures	10,932	Cash	10.00	110.68	0.02	0.01
	February 25, 2015	Transfer to Pradeep Nayak	(30,000)	Other than cash	10.00	-	(0.04)	(0.04)
	May 29, 2015	Allotment of equity shares pursuant to ESOP 2010	38,500	Cash	10.00	10.00	0.05	0.05
Sub Total (B)			325,807				0.45	0.39
Dr. BS Ramesh	June 30, 2006	Swap of Equity Shares in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL transferred by the equity shareholders of BMORCL to our Company pursuant to an agreement dated June 26, 2006	28,107	Other than cash	10.00	-	0.04	0.03
	April 25, 2007	Bonus issue in the ratio of 2.50 Equity Shares for every 1 Equity Share	70,267	Other than cash	10.00	-	0.10	0.08
	November 11, 2008	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share	98,374	Other than cash	10.00	-	0.14	0.12
	June 17, 2011	Rights Issue in the ratio of 11 Equity Shares for every 100 Equity Shares	21,642	Cash	10.00	86.30	0.03	0.03
	March 18, 2013	Allotment pursuant to the conversion of fully convertible debentures	5,466	Cash	10.00	110.68	0.01	0.01
	May 29, 2015	Allotment of	38,500	Cash	10.00	10.00	0.05	0.05

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
	2015	equity shares pursuant to ESOP 2010						
Sub Total (C)			262,356				0.36	0.31
Dr. KS Gopinath	June 30, 2006	Share swap in the ratio of 1 Equity Share for every 3.809 equity shares of BMORCL pursuant to an agreement dated June 26, 2006	44,278	Other than cash	10.00	-	0.06	0.05
	April 25, 2007	Bonus issue in the ratio of 2.50 Equity Shares for every 1 Equity Share	110,695	Other than cash	10.00	-	0.15	0.13
	November 11, 2008	Bonus issue in the ratio of 1 Equity Share for every 1 Equity Share	154,973	Other than cash	10.00	-	0.21	0.18
	June 17, 2011	Rights issue in the ratio of 11 Equity Shares for every 100 Equity Shares	34,094	Cash	10.00	86.30	0.05	0.04
	November 17, 2011	Allotment of unsubscribed portion of rights issue	11,587	Cash	10.00	86.30	0.02	0.01
	March 18, 2013	Conversion of fully convertible debentures	10,932	Cash	10.00	110.68	0.02	0.01
	May 29, 2015	Allotment of equity shares pursuant to ESOP 2010	38,500	Cash	10.00	10.00	0.05	0.05
Sub Total (D)			405,059				0.56	0.48
Dr. M Gopichand	August 18, 2011	Allotment of unsubscribed portion of rights issue	20,000	Cash	10.00	86.30	0.03	0.02
	April 10, 2015	Allotment in the ratio of 9 Equity Shares of our Company for every 23 equity shares of HCG Vijay pursuant to the amalgamation of HCG Vijay with our Company	846,760	Other than cash	10.00	-	1.16	1.00
Sub Total (E)			866,760				1.19	1.03
Total (A)+(B)+(C)+(D)+(E)			19,685,981				27.03	23.31***

Name of the Promoter	Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital** (%)
(C)+(D)+(E)								

* Less than 0.01 per cent

** Assuming full subscription in the Offer

*** Dr. BS Ajai Kumar will hold 20.89% of the post Offer Equity Share capital in our Company since he is offering 183,260 Equity Shares in the Offer for Sale. Accordingly, our Promoters will hold 23.10% of the post Offer Equity Share capital of our Company.

Except as disclosed above, all the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

- (b) *The details of the shareholding of our Promoter and the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus:*

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
Promoters		
Dr. BS Ajai Kumar	17,825,999	24.47
Dr. Ganesh Nayak	325,807	0.45
Dr. BS Ramesh	262,356	0.36
Dr. KS Gopinath	405,059	0.56
Dr. M Gopichand	866,760	1.19
Total Holding of the Promoters (A)	19,685,981	27.03
Promoter Group		
Dr. BS Amar Kumar	664,657	0.91
Bhagya Ajai Kumar	1,795	0.00*
Asmitha Ajai Kumar**	327,259	0.45
Agnika Ajai Kumar**	327,258	0.45
Dr. Srinivas Gopinath	2,187	0.00*
Prakash Nayak	57,937	0.08
Pradeep Nayak	30,000	0.04
Dr. V Sudha	22,582	0.03
Adarsh R	2,486	0.00*
Leela Rajanna	1,280	0.00*
Total holding of the Promoter Group (other than Promoter) (B)	1,437,441	1.97
Total Holding of Promoter and Promoter Group (A+B)	21,123,422	29.00

*Less than 0.01 per cent

** The shareholders are minors and Dr. BS Ajai Kumar is their legal guardian

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

- (i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year.

(ii) As on the date of this Draft Red Herring Prospectus, our Promoters hold 19,685,981 Equity Shares out of which up to 17,162,926 Equity Shares are eligible for promoters' contribution.

(iii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares Eligible for lock-in	Percentage of post-Offer paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
Dr. BS Ajai Kumar	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Dr. Ganesh Nayak	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Dr. BS Ramesh	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Dr. KS Gopinath	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Dr. M Gopichand	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]	[•]	[•]

(iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.

(vi) In this connection, we confirm the following:

- The Equity Shares offered for Promoters' contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- All the Equity Shares of our Company held by the Promoter are in dematerialised form; and
- The Equity Shares forming part of the Promoters' contribution are not pledged with any creditor.

(d) *Other lock-in requirements:*

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer equity share capital of our Company, shall be locked-in for a period of one year.

(ii) The Equity Shares allotted to employees under the Employee Stock Option Scheme 2010 ("ESOP 2010") and the Employee Stock Option Scheme 2014 ("ESOP 2014") shall not be subject to lock in (except any Equity Shares that may be allotted to or transferred to any Promoter Group).

- (iii) The Equity Shares being offered by the Selling Shareholders in the Offer for Sale shall not be subject to lock-in.
- (iv) The Equity Shares held by PIOF and MPEF, shall not be subject to lock-in since both entities are registered VCFs.
- (v) Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.
- (vi) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
- (vii) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
- (viii) Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

5. Selling Shareholder's Shareholding in our Company

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 60,877,658 Equity Shares, constituting 83.58% of the issued, subscribed and paid-up Equity Share capital of our Company.

The total number of shares held by the remaining Selling Shareholders in our Company as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Selling Shareholder	No. of Equity Shares	Percentage of the pre- Offer capital (%)
Dr. BS Ajai Kumar	17,825,999	24.47
Gangadhara Ganapati	2,282,780	3.13
Dr. Nalini Kilara	10,201	0.01
Dr. G Kilara	75,004	0.10
Dr. K Harish jointly with Shubha Harish	5,594	0.01
Shubha Harish jointly with Dr. K Harish	11,804	0.02
Rajesh Ramaiah	28,970	0.04
Ganga Ramaiah	28,970	0.04
AOPL	579,948	0.80
PIOF	15,380,000	21.11
IL&FS Trust Company Limited a/c MPEF through its scheme India Build Out Fund-I	12,543,256	17.22
Milestone Trusteeship Services Private Limited a/c MAT	334,327	0.46
V-Sciences	11,770,805	16.16
Total	60,877,658	83.58

6. 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 code	Category of shareholder	Pre-Offer						Post-Offer*					
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C)					As a % of (A + B)	As a % of (A + B + C)	
(A)	Promoter and Promoter Group*												
(1)	Indian												
(a)	Individuals/ Hindu Undivided Family	15	21,123,422	19,685,981	29.00	29.00	-	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Bodies Corporate	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Any Other (specify)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(1)	15	21,123,422	19,685,981	29.00	29.00	-	[●]	[●]	[●]	[●]	[●]	[●]
(2)	Foreign												
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Bodies Corporate	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Institutions	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Qualified Foreign Investor	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Any Other (specify)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(2)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	15	21,123,422	19,685,981	29.00	29.00	-	[●]	[●]	[●]	[●]	[●]	[●]
(B)	Public shareholding												
(1)	Institutions	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Venture Capital Funds	2	27,923,256	27,923,256	38.34	38.34	-	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Insurance Companies	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(f)	Foreign Institutional Investors	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(h)	Qualified Foreign Investor	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(i)	Any Other (specify)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]
(i)(a)	Foreign Body Corporate	1	11,770,805	11,770,805	16.16	16.16	-	[●]	[●]	[●]	[●]	[●]	[●]
(i)(b)	Private Trust	1	334,327	334,327	0.46	0.46	-	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (B)(1)	4	40,028,388	40,028,388	54.95	54.95	-	[●]	[●]	[●]	[●]	[●]	[●]
(2)	Non-institutions												
(a)	Bodies Corporate	4	1,975,282	1,975,282	2.71	2.71	-	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Individuals												
(i)	Individual shareholders	129	381,260	27,965	0.52	0.52	-	[●]	[●]	[●]	[●]	[●]	[●]

Category code	Category of shareholder	Pre-Offer						Post-Offer*					
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C)					As a % of (A + B)	As a % of (A + B + C)	
	holding nominal share capital up to ₹1 lakh.												
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh.	105	9,331,624	5,103,511	12.81	12.81	-	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Any Other (specify)												
	Sub-Total (B)(2)	238	11,688,166	7,106,758	16.05	16.05	-	[•]	[•]	[•]	[•]	[•]	[•]
	Total Public Shareholding (B)= (B)(1)+(B)(2)	242	51,716,554	47,135,146	71.00	71.00	-	[•]	[•]	[•]	[•]	[•]	[•]
	TOTAL (A)+(B)	257	72,839,976	66,502,200	100.00	100.00	-	[•]	[•]	[•]	[•]	[•]	[•]
(C)	Shares held by Custodians and against which Depository Receipts have been issued												
(1)	Promoter and Promoter Group	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
(2)	Public	-	-	-	-	-	-	[•]	[•]	[•]	[•]	[•]	[•]
	TOTAL (A)+(B)+(C)	257	72,839,976	66,502,200	100.00	100.00	-	[•]	[•]	[•]	[•]	[•]	[•]

*Assuming full subscription in the Offer

7. **The list of public Shareholders holding more than 1% of the pre-Offer paid up Equity Share capital of our Company as on the date of filing of this Draft Red Herring Prospectus is as follows:**

Sl. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage (%)	No. of Equity Shares	Percentage (%)
1.	PIOF	15,380,000	21.11	7,690,000	9.11
2.	IL&FS Trust Company Limited a/c MPEF through its scheme India Build Out Fund-I	12,543,256	17.22	6,438,791	7.63
3.	V-Sciences	11,770,805	16.16	7,847,203	9.29
4.	Gangadhara Ganapati	2,282,780*	3.13	1,682,780	1.99
5.	Edelweiss Commodities Services Limited	1,159,926	1.59	1,159,926	1.37
	Total	43,136,767	59.22	24,818,700	29.39

* Gangadhara Ganapati has been issued 1,250,000 options under ESOP 2014 of which 625,000 options have vested and the remaining shall vest upon listing of the Equity Shares

8. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus, 10 days before the date of filing and two years prior the date of filing of this Draft Red Herring Prospectus are set forth below:**

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. BS Ajai Kumar	17,825,999	24.47
2.	PIOF	15,380,000	21.11
3.	IL&FS Trust Company Limited a/c MPEF through its scheme India Build Out Fund-I	12,543,256	17.22
4.	V-Sciences	11,770,805	16.16
5.	Gangadhara Ganapati	2,282,780	3.13
6.	Edelweiss Commodities Services Limited	1,159,926	1.59

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
7.	Dr. M Gopichand	866,760	1.19
8.	Dr. Amar Kumar	664,657	0.91
9.	Aastha Oncology Private Limited	579,948	0.80
10.	P Dayanand Pai	574,829	0.79
	Total	63,648,960	87.37

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. BS Ajai Kumar	17,825,999	24.47
2.	PIOF	15,380,000	21.11
3.	IL&FS Trust Company Limited a/c MPEF through its scheme India Build Out Fund-I	12,543,256	17.22
4.	V-Sciences	11,770,805	16.16
5.	Gangadhara Ganapati	2,282,780	3.13
6.	Edelweiss Commodities Services Limited	1,159,926	1.59
7.	Dr. M Gopichand	866,760	1.19
8.	Dr. Amar Kumar	664,657	0.91
9.	Aastha Oncology Private Limited	579,948	0.80
10.	P Dayanand Pai	574,829	0.79
	Total	63,648,960	87.37

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. BS Ajai Kumar	16,238,824	23.79
2.	PIOF	15,380,000	22.54
3.	IL&FS Trust Company Limited a/c MPEF through its scheme India Build Out Fund-I	12,543,256	18.38
4.	V-Sciences	11,770,805	17.25
5.	Gangadhara Ganapati	2,227,780	3.26
6.	Edelweiss Commodities Services Limited	1,159,926	1.70
7.	Dr. BS Amar Kumar	664,657	0.97
8.	P Dayanand Pai	574,829	0.84
9.	Shankar Narayanan Madhava Menon and Simmi Shankar Narayanan	533,881	0.78
10.	Rupika Singh	444,168	0.65
	Total	61,538,126	90.16

9. Details of Equity Shares held by our Directors and Key Management Personnel in our Company

- (i) Set out below are details of the Equity Shares held by our Directors in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)*
1.	Dr. BS Ajai Kumar	17,825,999	24.47	20.89
2.	Gangadhara Ganapati**	2,282,780	3.13	1.99

* Dr. BS Ajai Kumar and Gangadhara Ganapati will be offering 183,260 Equity Shares and 600,000 Equity Shares in the Offer for Sale respectively

** Gangadhara Ganapati has been issued 1,250,000 options under ESOP 2014 of which 625,000 options have vested and the remaining shall vest upon listing of the Equity Shares

- (ii) Set out below are details of the Equity Shares held by Key Management Persons in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Dr. BS Ajai Kumar	17,825,999	24.47	20.89*

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
2.	A Sadasivam	92,000	0.13	0.11
3.	Sunu Manuel	15,400	0.02	0.02
4.	Dinesh Madhavan	54,200	0.07	0.06
5.	Dr. Naveen Nagar	25,723	0.04	0.03
6.	Bharat Gadhavi	44,080	0.06	0.05

* Dr. BS Ajai Kumar will be offering 183,260 Equity Shares in the Offer for Sale

10. Except as disclosed below, the BRLMs and their respective associates do not hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Edelweiss	10,710	0.00*	0.00*
2.	Edelweiss Commodities Services Limited	1,159,926	1.59	1.37

* Less than 0.01 per cent

11. Except as disclosed above, our Promoter, Promoter Group or Directors have not purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of pre-Offer capital of our Company.
12. Except as disclosed above, all Equity Shares were fully paid up as on the date of allotment.
13. Except as disclosed below, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction
November 17, 2011	104,854	10.00	-	Other than Cash	Allotment in the ratio of 9 Equity Shares for every 5 equity shares of BMORCL pursuant to the amalgamation of BMORCL with our Company. For further details see "History and Certain Corporate Matters" on page 177
August 27, 2014	579,948	10.00	-	Other than cash	Allotment in the ratio of 0.2668 Equity Shares for every equity share of HCG Medi-Surge consequent to the transfer of the multi speciality division of HCG Medi-Surge to our Company. For further details see "History and Certain Corporate Matters" on page 177
April 10, 2015	846,760	10.00	-	Other than cash	Allotment in the ratio of 9 Equity Shares of our Company for every 23 equity shares of HCG Vijay pursuant to the amalgamation of HCG Vijay with our Company For further details see "History and Certain Corporate Matters" on page 177.

14. Our Company has not made any public issue of any kind or class of securities since its incorporation.
15. Except as disclosed above, our Company has not made any rights issue of any kind or class of securities since its incorporation.
16. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotment.
17. Our Company, pursuant to resolutions passed by our Board and our Shareholders dated June 16, 2010 and August 25, 2010 respectively, has adopted ESOP 2010. Pursuant to ESOP 2010, options to acquire Equity Shares have been granted to eligible employees (as defined under ESOP 2010) including

permanent employees. Pursuant to a shareholders' resolution dated March 28, 2014, our Company was authorised to issue up to 5.3 million Equity Shares under one or more employee stock option schemes. Pursuant to Board resolution dated February 25, 2015, our Board has resolved not to make any further grants under ESOP 2010.

18. Our Company, being an unlisted company, is not required to be compliant with SEBI ESOP Regulations. Further, ESOP 2010 was adopted prior to the commencement of the Companies Act, 2013. ESOP 2010 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013, except to the extent that ESOP 2010 does not specifically exclude independent directors, promoters, persons belonging to the Promoter Group or directors either through themselves or through their relatives, or any body corporate holding more than 10% of the Equity Shares from the definition of employee to whom options may be granted under ESOP 2010, as provided under Regulation 2(1)(f) of the SEBI ESOP Regulations and the explanation to Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014.

Particulars	Details			
Options granted	1,294,800 options on June 16, 2010. Each option entitles the holder to purchase one Equity Share at a price of ₹10 per Equity Share			
Pricing formula	The options were granted at such exercise price not less than face value per option per Equity Share			
Vesting period	Grant A			
	Vesting Proportion	Vesting period from date of grant	Basis of Vesting	
	10%	1st anniversary	100% - time based, 0% - performance based	
	20%	2nd anniversary	60% - time based, 40% - performance based	
	30%	3rd anniversary	50% - time based, 50% - performance based	
	40%	4th anniversary	40% - time based, 60% - performance based	
	Grant B			
	Vesting Proportion	Vesting period from date of grant	Basis of Vesting	
	10%	2nd anniversary	100% - time based, 0% - performance based	
	20%	3rd anniversary	60% - time based, 40% - performance based	
	30%	4th anniversary	50% - time based, 50% - performance based	
	40%	5th anniversary	40% - time based, 60% - performance based	
	All options have been vested as of March 31, 2015 pursuant to Shareholders' resolution dated March 31, 2015			
	Options vested	1,069,194 options		
	Options exercised	1,059,067 options		
The total number of Equity Shares arising as a result of exercise of options	1,059,067 options			
Options lapsed	225,606 options			
Variation of terms of options	The Nomination and Remuneration Committee and the Board of Directors of our Company modified the exercise period on February 25, 2015 to a period of five years commencing from the date of vesting so as to bring it in line with the exercise period post listing of Equity Shares and to make it more attractive and valuable for the option holders. This was approved by our Shareholders pursuant to their resolution dated March 31, 2015			

Particulars	Details		
	Pursuant to Shareholders’ resolution dated March 31, 2015, vesting of all options was accelerated and all options stood vested.		
Money realized by exercise of options	₹10,590,670		
Total number of options in force	10,127 options		
Employee-wise detail of options granted to			
(i) Senior managerial personnel	Sl. No.	Name of Employee	No. of Options
	1.	Dr. BS Ajai Kumar	2,57,700
	2.	Dr. Naveen Nagar	22,400
	3.	A Sadasivam	82,000
	4.	Dinesh Madhavan	54,200
	5.	Dr. Bharat Gadhavi	30,800
	6.	Sunu Manuel	15,400
(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	For Financial Year 2015: Nil		
	For Financial Year 2014: Nil		
	For Financial Year 2013: Nil		
	There were no grants made during the last three financial years.		
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	For Financial Year 2015: Nil		
	For Financial Year 2014: Nil		
	For Financial Year 2013: Nil		
	There were no grants made during the last three financial years.		
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	For Financial Year 2015: (0.34)		
	For Financial Year 2014: (6.55)		
	For Financial Year 2013: (0.84)		
Lock-in	Nil		
Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	For Financial Year 2015: The total accounting charge taken on account of ESOP 2010 and ESOP 2014 is ₹11,976,982		
	For Financial Year 2014: The total accounting charge taken on account of ESOP 2010 is ₹8,885,772		
	For Financial Year 2013: The total accounting charge taken on account of ESOP 2010 is ₹4,496,202		
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee	Our Company follows the Fair Value (Black-Scholes Option Pricing Model) of the stock options for calculating employee compensation cost.		

Particulars	Details
compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	For Financial Year 2015: No options were granted or exercised during this period. For Financial Year 2014: No options were granted or exercised during this period. For Financial Year 2013: No options were granted or exercised during this period.
Method and significant assumptions used to estimate the fair value of options granted during the year	For Financial Year 2015: No grants were made during this period. For Financial Year 2014: No grants were made during this period. For Financial Year 2013: No grants were made during this period.
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	There is no intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer.
Intention to sell Equity Shares arising out of the ESOP 2010 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2010 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	There is no intention to sell Equity Shares arising out of ESOP 2010 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2010 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions).

19. Our Company, pursuant to resolutions passed by our Board and our Shareholders, dated April 1, 2014 and March 28, 2014, respectively has adopted ESOP 2014. The members of the Company further at the EGM held on July 13, 2015 have ratified ESOP 2014 as per the provisions of Companies Act 2013. Pursuant to ESOP 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2014) including permanent employees, whole-time directors of our Company and permanent employees and directors of our Subsidiaries except any employee who is a promoter or belongs to the promoter group or an independent director, or a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares. The aggregate number of Equity Shares, which may be issued under ESOP 2014, shall not exceed 5.3 million Equity Shares including options exercised under ESOP 2010.

Particulars	Details
Options granted	1,360,100 options comprising of 1,250,000 options granted on April 1, 2014 (“ Grant I ”) and 110,100 options granted on June 24, 2014 (“ Grant II ”)

Particulars	Details			
Pricing formula	The options were granted at such exercise price not less than face value per option per share			
Vesting period	Grant I:			
	Vesting Proportion		Vesting period from date of grant	Basis of Vesting
	50%		1st anniversary	100% - time based
	25%		2nd anniversary	100% - time based
	25%		3rd anniversary	100% - time based
	Terms of acceleration for Grant 1 of ESOP 2014: In the event of a sale of the Company, or the consummation of a qualified initial public offering by the Company or in the event of any change in the constitution of the Company, change of control of the Company, re-structuring of the Company including but not limited to, merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company, the Options granted shall become fully vested and exercisable subject to any statutorily required minimum vesting period from the date of Grant.			
	Grant II:			
	Vesting Proportion		Vesting period from date of grant	Basis of Vesting
	10%		1st anniversary	100% - time based
	20%		2nd anniversary	100% - time based
	30%		3rd anniversary	100% - time based
	40%		4th anniversary	100% - time based
Options vested	636,010			
Options exercised	Nil			
The total number of Equity Shares arising as a result of exercise of options	Nil			
Options lapsed	Nil			
Variation of terms of options	Nil			
Money realized by exercise of options	NIL			
Total number of options in force	1,360,100			
Employee-wise detail of options granted to				
(i) Senior managerial personnel	Sl. No.	Name of Employee	Grant	No. of Options
	1.	Gangadhara Ganapati	Grant I	1,250,000
	2.	Mudit Saxena	Grant II	30,000
	3.	Sunu Manuel	Grant II	15,000
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options	Gangadhara Ganapati - 12,50,000 options			

Particulars	Details
granted during the year	
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Gangadhara Ganapati - 12,50,000 options
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	For Financial Year 2015: (0.34) For Financial Year 2014: (6.55) For Financial Year 2013: (0.84)
Lock-in	Nil
Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	For Financial Year 2015: The total accounting charge taken on account of ESOP 2010 and ESOP 2014 is ₹11,976,982
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Our Company follows the Fair Value (Black-Scholes Option Pricing Model) of the stock options for calculating employee compensation cost
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	For Financial Year 2015: Weighted average exercise price: (i) where exercise price equals market price: NA (ii) where exercise price exceeds market price: ₹110.68 (iii) where exercise price is less than market price: ₹10.00 Weighted average fair value price: (i) where exercise price equals market price: NA (ii) where exercise price exceeds market price: ₹8.71 (iii) where exercise price is less than market price: ₹73.34 For financial year 2013 and 2014 there were no Options granted during this period.
Method and significant assumptions used to	The fair value of the options granted has been estimated using the Black-Scholes option pricing model. Each tranche of vesting have been considered as a separate

Particulars	Details		
estimate the fair value of options granted during the year	grant for the purpose of valuation. The assumptions used in the estimation of the same has been detailed below:		
	For Financial Year 2015:		
	Variables	Weighted Average Values for the options granted during the year	Assumptions
	Stock Price	₹78.95	Latest available valuation report as per independent valuer has been considered for valuing the grants
	Volatility	34.21%	We have considered the historical volatility of an identified peer group company till the date of grant to calculate the fair value
	Risk free Rate	9.00%	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for government securities
	Exercise Price	₹102.53	The exercise price as decided by the compensation committee for each Grant
	Time To Maturity	2.17	Time to maturity/expected life of options is the period for which our Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the maximum period after which the options cannot be exercised
	Dividend yield	0.00%	Expected dividend yield has been considered as 0% as the company have paid no dividend historically and there is no publicly available data indicating dividend payout during the expected life of the options
	There were no options granted during Financials Years 2013 and 2014.		
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	There is no intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer		
Intention to sell Equity Shares arising out of the ESOP 2010 and ESOP 2014 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2010 and ESOP 2014 amounting to more than 1% of the issued capital (excluding outstanding	There is no intention to sell Equity Shares arising out of ESOP 2010 and ESOP 2014 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2010 and ESOP 2014 amounting to more than 1% of the issued capital (excluding conversion of warrants outstanding)		

Particulars	Details
warrants and conversions)	

20. Except as disclosed in the table below, none of the members of our Promoter Group, our Promoters or our Directors and their immediate relatives have purchased or sold any securities of our Company or the Subsidiaries during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI:

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Nature of Consideration	Price per Equity Shares (in ₹)	Aggregate consideration (in ₹)	Percentage of the pre- Offer capital
Dr. Ganesh Nayak	Pradeep Nayak	February 25, 2015	30,000	Other than cash	-	-	0.04
Dr. BS Ajai Kumar	Aagnika Ajai Kumar	April 10, 2015	231,749	Other than cash	-	-	0.27
Dr. BS Ajai Kumar	Aagnika Ajai Kumar	April 10, 2015	23,418	Other than cash	-	-	0.03
Dr. BS Ajai Kumar	Aagnika Ajai Kumar	April 10, 2015	72,091	Other than cash	-	-	0.09
Dr. BS Ajai Kumar	Asmitha Ajai Kumar	April 10, 2015	72,091	Other than cash	-	-	0.09
Dr. BS Ajai Kumar	Asmitha Ajai Kumar	April 10, 2015	23,418	Other than cash	-	-	0.03
Dr. BS Ajai Kumar	Asmitha Ajai Kumar	April 10, 2015	231,750	Other than cash	-	-	0.27
Dr. BS Ajai Kumar	Bhupesh R Shah and Sonal Bhupesh Shah	July 6, 2015	5,500	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Manoj P Vithalani	July 6, 2015	1,800	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Pranav G Kharod	July 6, 2015	1,800	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Gopal J Rawal	July 6, 2015	1,807	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Jyotindra P Pandit	July 6, 2015	1,800	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Prakash V Amin	July 6, 2015	1,800	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Amit C Jhala	July 6, 2015	3,600	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Sunil P Mehta	July 6, 2015	1,800	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Bhupesh D Shah	July 6, 2015	4,500	Cash	110.68	-	0.01
Dr. BS	Urman D	July 6,	3,600	Cash	110.68	-	0.00*

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Nature of Consideration	Price per Equity Shares (in ₹)	Aggregate consideration (in ₹)	Percentage of the pre- Offer capital
Ajai Kumar	Dhruv	2015					
Dr. BS Ajai Kumar	Tushar Soni	July 6, 2015	3,600	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Harijit Singh Dumra	July 6, 2015	1,800	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Jay M Shah and Anand Shukla	July 6, 2015	4,600	Cash	110.68	-	0.01
Dr. BS Ajai Kumar	Ashish Mangilal Kaushal	July 6, 2015	22,588	Cash	110.68	-	0.03
Dr. BS Ajai Kumar	Pramod Chinder	July 6, 2015	2,711	Cash	110.66	-	0.00*
Dr. BS Ajai Kumar	Jagdish Chattrnalli	July 6, 2015	1,807	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Basant Mahadeva ppa	July 6, 2015	1,807	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Uday Bhaskar	July 6, 2015	1,807	Cash	110.68	-	0.00*
Dr. BS Ajai Kumar	Mahesh K Bandimegal	July 6, 2015	2,259	Cash	110.67	-	0.00*
Dr. BS Ajai Kumar	Ashok KV	July 6, 2015	994	Cash	110.66	-	0.00*
Dr. BS Ajai Kumar	Shekar Patil	July 6, 2015	9,035	Cash	110.68	-	0.01
Dr. BS Ajai Kumar	SR Parthasarathy	July 9, 2015	45,175	Cash	110.68	-	0.05

*Less than 0.01 per cent

21. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 257.
22. Neither our Company nor our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
23. All Equity Shares issued pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
24. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
25. Except the sale of Equity Shares in the Offer for Sale by Dr. BS Ajai Kumar, our Promoters, Promoter Group and Group Entities will not participate in the Offer.
26. There have been no financing arrangements whereby our Promoters, Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company, other

than in the normal course of the business during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

27. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.
28. In terms of Rule 19(2)(b)(ii) of the SCRR, this is an Offer for at least 10% of the post-Offer capital of our Company. The Offer is being made under Regulation 26(2) of the SEBI ICDR Regulations and through a Book Building Process wherein at least 75% of the Offer shall be allotted on a proportionate basis to QIBs. Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, may participate in this Offer through the ASBA process providing details of their respective bank accounts which will be blocked by the SCsBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Offer. For further details, see “Offer Procedure” on page 319.
29. 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 a combination of categories at the discretion of our Company in consultation with the Investor Selling Shareholders and the BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, after such *inter-se* adjustments among the reserved categories shall be added back to the net offer to the public portion. In case of under-subscription in the net offer to the public portion, spill-over to the extent of under-subscription shall be permitted from the reserved category to the public portion.
30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
32. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
33. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Promoters, members of our Promoter Group and Group Entities, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
34. Except options granted pursuant to ESOP 2010 and ESOP 2014, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises of Fresh Issue and the Offer for Sale.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

Requirement of Funds

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Purchase of medical equipment;
2. Investment in IT software, services and hardware;
3. Pre-payment of debt; and
4. General corporate purposes (collectively, referred to herein as the “Objects”).

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Offer Proceeds and Net Proceeds

The details of the proceeds of the Offer are summarised in the table below:

Particulars	Amount (in ₹million) ⁽¹⁾
Gross Proceeds of the Fresh Issue	[●]
(Less) Fresh Issue related expenses ⁽¹⁾	[●]
Net Proceeds	[●]

⁽¹⁾ To be finalised upon determination of the Offer Price.

Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹million)
Purchase of medical equipment	519.51
Investment in IT software, services and hardware	368.45
Pre-payment of debt	1,470.48
General corporate purposes ⁽¹⁾	[●]
Total Net Proceeds	[●]

⁽¹⁾ To be finalised upon determination of the Offer Price.

The fund requirements for the Objects are based on internal management estimates, quotations received from vendors and have not been appraised by any bank or financial institution.

Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds	(in ₹ million) Estimated Utilisation of Net Proceeds		
			Fiscal 2017	Fiscal 2018	Fiscal 2019
Purchase of medical equipment	519.51	519.51	519.51	-	-

Particulars	Total estimated costs	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds		
			Fiscal 2017	Fiscal 2018	Fiscal 2019
Investment in IT software, services and hardware ⁽¹⁾	499.57	368.45	78.69	186.69	103.07
Pre-payment of debt	1,470.48	1,470.48	1,470.48	-	-
General corporate purposes ⁽²⁾	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

(1) The balance estimated costs for the purpose of financing this Object shall be met from our internal accruals

(2) To be finalized upon determination of the Offer Price

(3) Based on certificate dated July 18, 2015 from HRA & Co., Chartered Accountants, as of July 18, 2015, no funds have been deployed towards the aforementioned Objects

Means of Finance

We intend to finance one of the Objects titled “Investment in IT software, services and hardware” partly from the Net Proceeds. Accordingly, we confirm that we are in compliance with the SEBI ICDR Regulations for firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer for this Object.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the proceeds from the Fresh Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects of the Offer, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see “Risk Factors” on page 16.

Details of the Objects of the Fresh Issue

1. Purchase of medical equipment

We plan to expand our HCG network in India by establishing new cancer centres across India and by expanding the capacity and service offerings of certain of our existing HCG cancer centres. We plan to expand these centres by either adding new services or new equipment to cater to increasing demand. For further details see “Our Business— Our Strategies” on page 151. As part of this expansion, we will require various medical equipment such as (i) radiation therapy equipment; (ii) surgical equipment; (iii) laboratory equipment; (iv) radiology equipment; and (v) other medical equipment.

Our Company estimates to incur capital expenditure for the purchase of such medical equipment of approximately ₹519.51 million, entirely in Fiscal 2017. The break-down of such estimated costs are set forth below:

(in ₹ million)

Particulars	Total estimated costs ⁽¹⁾	Amount to be funded from the Net Proceeds in Fiscal 2017
Radiation Therapy Equipment	76.28	76.28
Surgical Equipment	201.20	201.20
Laboratory Equipment	76.39	76.39
Radiology Equipment	99.41	99.41
Other Medical Equipment	66.23	66.23
Total	519.51	519.51

(1) Conversion rate as of June 30, 2015 - 1€ : ₹71.20; 1\$: ₹63.76 (Source: Reserve Bank of India)

A. Radiation Therapy Equipment

Radiation therapy equipment are used for delivering radiation therapy to cancer patients as part of the treatment. We propose to purchase dosimetric quality assurance equipment and mold room accessories associated with linear accelerators used in our radiotherapy departments.

B. Surgical Equipment

Surgical equipment are used to perform various surgeries including thoracic surgery, neurosurgery, plastic reconstruction, gastrointestinal surgery, head and neck and oral and maxillofacial surgery. Such equipment include robotic surgery system, which offers a minimal invasive option for a major surgery, as well as equipment used in the operation theatre and endoscopy suites including operation theatre tables, operation theatre lights, microscopes, suction machines, headlights, duodenoscopes, colonoscopes, gastroscopes and bronchoscopes, among others.

C. Laboratory Equipment

Laboratory equipment are used for a wide range of pathological investigations including, haematology, biochemistry, microbiology, histopathology, cytology as well as specialized high end molecular pathology, cytogenetics and genomic tests, which help our clinicians decide the appropriate treatment for the patient. Such equipment include digital pathology systems, tissue processors, next generation sequencing systems, cryostats and others.

D. Radiology Equipment

Radiology equipment provide detailed insight into the location and extent of the disease in a patient and thus help in accurately diagnosing cancer. Such equipment include mammography apparatus, gamma camera, ultrasound and x-ray machines.

E. Other Medical Equipment

Other medical equipment primarily include catheterization laboratory; and other supporting medical equipment used to deliver cancer treatment. Catheterization laboratory is used for a variety of diagnostic and interventional cardiology procedures, which would be installed to expand our multispecialty hospital. Other supporting medical equipment include defibrillators, monitors, syringe pumps, ECG machines, ETO and others.

For the purposes of purchasing above medical equipment, we have received quotations from various vendors, which are valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the medical equipment or at the same costs. The quantity of medical equipment to be purchased is based on the estimates of our management.

Our Company shall have the flexibility to deploy such medical equipment at our existing and future centres (including centres set up or being set up by our Subsidiaries), excluding centres being set up by our LLPs, according to the business requirements of such centres and based on the estimates of our management. To the extent, any of such medical equipment will be utilised by our Subsidiaries (excluding LLPs), our Company shall deploy the Net Proceeds for this Object in the form of debt or

equity or in any other manner as may be mutually decided. The actual mode of deployment has not been finalised as on the date of the Draft Red Herring Prospectus.

Our Promoters or Directors have no interest in the proposed procurements, as stated above.

2. Investment in IT software, services and hardware

We are seeking to upgrade and strengthen our information technology infrastructure and capabilities in preparation for the significant scale up of our operations (for further details, see “Our Business – Our Strategies” on page 151). We are adding 12 new comprehensive cancer centres and are envisaging significant expansion in our fertility business. We believe that leveraging data and analytics is a core aspect of our operational strategy, for achieving operational efficiencies, improving clinical performance and for research and development. To upgrade our infrastructure, we intend to implement the following IT initiatives:

A. Investment in IT software and services

- Replacement of our existing multiple hospital management systems with a single, central instance, enterprise class hospital information system (“HIS”), hosted on a private cloud along with allied software and infrastructure;
- Implementation of a multi module Enterprise Resource Planning system (“ERP”) across our network and its integration with HIS and other systems; and
- Other initiatives such as centralized (single instance, cloud based) oncology specific electronic medical record system (“EMR”), integrated with the HIS, as well as with all other critical clinical systems viz. radiation therapy management, treatment planning, radiology information system and picture archiving and communications systems (“RIS-PACS”), as well as critical medical equipment (all radiology, laboratory and LINAC machines), Biorepository system along with advanced informatics for data analysis and interpretation and mobility software.

B. Investment in IT hardware

- Purchase of laptops, desktops and ancillary operating systems.

For further details, see “Our Business – Our Strategies” on page 151.

Our Company estimates to incur expenditures of approximately ₹368.45 million from the Net Proceeds towards IT software, services and hardware. The balance estimated costs for the purpose of financing this Object shall be met from our internal accruals.

(in ₹ million)

Particulars	Total Estimated Cost ⁽¹⁾	Amount to be funded from the Net Proceeds	Amount to be funded from the Net Proceeds		
			Fiscal 2017	Fiscal 2018	Fiscal 2019
IT software and services	457.86	326.74	64.79	172.78	89.17
Hardware	41.71	41.71	13.90	13.90	13.90
Total	499.57	368.45	78.69	186.69	103.07

(1) The above figures are based on quotations and agreements received and entered into, respectively, by our Company from/with the respective vendors.

(2) Based on certificate dated July 18, 2015 from HRA & Co., Chartered Accountants, as of July 18, 2015, no funds have been deployed towards the aforementioned Object

Investment in IT software and services

Our Company proposes to implement the following IT systems to support our operations:

I. Centralised Hospital Information System (“HIS”), ERP, hosting and infrastructure

We are in the process of upgrading our existing hospital information system to a new centralized

enterprise class cloud hosted IT solution for efficiently managing all patient administration and operational processes. This solution will be integrated with the proposed ERP alongwith the EMR solution, RIS-PACS and Laboratory Information System (“**LIS**”) solutions which are also proposed to be implemented. The HIS will enable us to implement centralized policies for patient registration, service definitions, purchasing, formulary management, billing and other key standard operating procedures across all our centres and thus enable our Company to comprehensively manage our hospital key operational metrics across all our centres, providing a single window for reporting of operational data and automate data flow between the centres.

We also intend to implement the ERP. The ERP will enable us to have single software solution in the fields of finance and accounts, materials management, sales and distribution and human resources across all our centres and thus enable our Company to comprehensively manage our business metrics across all our centres and automate data flow between the centres.

Our Company also plans to implement allied software and infrastructure such as hosted active directory to control user authentication and security for application systems and LIS for recording, managing and storing data for our clinical laboratories. The HIS, ERP and other systems will be hosted in a private cloud which includes disaster recovery facilities. The total estimated cost for licence fees, implementation and support of HIS and other allied infrastructure is ₹335.96 million. Our Company intends to utilise ₹204.84 million from the Net Proceeds for the implementation of the HIS, ERP, hosting and infrastructure in Fiscals 2017, 2018 and 2019. We have entered into a definitive agreement for implementation of certain aspects of the IT software and services mentioned in (I) (including the HIS and ERP).

II. Clinical Solutions

In addition to the above our Company intends to implement an (a) an EMR solution for collection and analysis of all clinical oncology data which shall be integrated with the HIS; (b) RIS-PACS which will provide a single, centralized view of all radiology related images and the associated reporting tools; (c) biorepository systems to manage our Company’s tissue repository; and (d) a mobile based application for our patients using which they can, amongst others, book doctor appointments and view reports. The total estimated cost for the implementation of such software and services is ₹121.90 million. Our Company intends to utilise ₹121.90 million from the Net Proceeds for the implementation of such software and services in Fiscals 2017, 2018 and 2019.

We have received quotations from vendors which are valid as on the date of the Draft Red Herring Prospectus. We have not entered into any other definitive agreement with such vendors and there can be no assurance that the same vendors would be eventually engaged to implement these initiatives or at the same costs.

Investment in IT hardware

In order to support the significant scaling of our operations as well as the aforementioned new systems being implemented, our Company intends to purchase IT hardware which shall include laptops, desktops and ancillary operating systems. For the purposes of purchasing such IT hardware, we have received a quotation which is valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreement with the vendor and there can be no assurance that the same vendor would be engaged to eventually supply such IT hardware or at the same costs. The quantity of such IT hardware to be purchased is based on the estimates of our management.

Our Company has not deployed any amount towards the purchase of such IT hardware. Our Company intends to utilise ₹41.71 million from the Net Proceeds for the purchase of such IT hardware in Fiscals 2017, 2018 and 2019.

Our Promoters or Directors have no interest in the proposed implementations or procurements, as stated above.

3. Pre-payment of debt

Our Company has entered into various financing arrangements with banks, financial institutions and certain vendors. Arrangements entered into by our Company include borrowings in the form of

secured loans, long term and short terms loans (including cash credit facilities), letter of credit facilities and deferred payment arrangements (in relation to equipment finance). For details of these financing arrangements including the terms and conditions, see “*Financial Indebtedness*” on page 222. As on June 30, 2015, the amounts outstanding from the loan agreements entered into by our Company were ₹2,482.39 million.

Our Company intends to utilize ₹1,470.48 million of Net Proceeds towards partial pre-payment of long term and short term borrowings. We believe that such pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be pre-paid amongst our facilities availed will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for pre-payment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. For details, see “*Risk Factors – Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business*” on page 25.

Some of our loan agreements provide for the levy of pre-payment penalties or premiums. We will take such provisions into consideration while deciding the loans to be pre-paid from Net Proceeds. Payment of such pre-payment penalty, if any, shall be made out of Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of pre-payment penalty, such payment shall be made from the internal accruals of our Company. We may also be required to provide notice to some of our lenders prior to repayment/ pre-payment.

The following table provides details of certain loans availed by our Company, out of which any or all of the loans may be repaid/ pre-paid from Net Proceeds, without any obligation to any particular bank/ financial institution:

(in ₹ million)

Sr. No.	Outstanding Loans	Nature of Borrowing	Amount Sanctioned ⁽¹⁾	Amount outstanding as on June 30, 2015 ⁽¹⁾
Debt				
1.	Yes Bank Limited*	Term Loan	1,060.00	1,042.77
2.	Yes Bank Limited*	Cash Credit Facility	550.00	211.18
3.	Yes Bank Limited*	Term Loan	200.00	191.50
4.	Yes Bank Limited*	Term Loan	200.00	118.50
5.	Yes Bank Limited*	Term Loan	120.00	84.28
6.	State Bank of India	Term Loan	30.00	19.57
7.	State Bank of India	Term Loan	4.80	1.98
TOTAL			2,164.80	1,669.78

* As on the date of this Draft Red Herring Prospectus, Yes Bank Limited is a BRLM to the Offer and also a banker to our Company

(1) Conversion rate as of June 30, 2015 - 1€ : ₹71.20; 1\$: ₹63.76 (Source: Reserve Bank of India)

Given the nature of these borrowings and the terms of pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are pre-paid or further drawn-down prior to the completion of the Offer, we may utilize Net Proceeds towards pre-payment of such additional indebtedness.

4. General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives and acquisitions, funding initial stages of equity contribution towards our projects, working capital requirements, investments into our subsidiaries, part or full debt repayment/prepayment of our Company or any of its Subsidiaries (excluding LLPs), strengthening of our marketing capabilities and towards repayment and prepayment penalty or premium on loans as may be applicable.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes, set out above.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the funds in deposits in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board.

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

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, legal counsel, Registrar to the Offer, Bankers to the Offer including processing fee to the SCSBs for processing Bid cum Application Forms submitted by ASBA Bidders procured by the Members of the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, printing and stationary expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which will be borne by the Company) shall be paid by and shared between the Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by the Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses. The break-up for the estimated Offer expenses are as follows:

Activity	Amount ⁽¹⁾ (₹in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Payment to BRLMs (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission and processing fees for SCSBs ⁽²⁾	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers	[●]	[●]	[●]
Registrar to the Offer	[●]	[●]	[●]
Other advisers to the Offer	[●]	[●]	[●]
Bankers to the Offer	[●]	[●]	[●]
Others:	[●]	[●]	[●]
i. Listing fees;			
ii. Printing and stationery expenses;			
iii. Advertising and marketing; and			
iv. Miscellaneous.			
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Will be completed after finalisation of the Offer Price.

⁽²⁾ SCSBs will be entitled to a processing fee of ₹[●] per Bid cum Application Form for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs

Monitoring Utilization of Funds

As this is a Fresh Issue for less than ₹5,000 million, we are not required to appoint a monitoring agency for the purpose of the Offer in terms of regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of Net Proceeds through its Audit Committee.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Equity Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Board of Directors, our Key Management Personnel or Group Entities.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Investor Selling Shareholders and 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 Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 147, 16 and F-1, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Largest provider of cancer care in India with a proven track record;
- High quality cancer care provided at a competitive price;
- Entry into high potential fertility business;
- Strong management team with successful track record;
- Highly skilled specialist physicians; and
- Our business model and partnership arrangements.

For further details, see “Our Business - Our Strengths” on page 148.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page F-1.

Note:

The accounting ratios shown below are after taking into account the impact of the dilutive effect of the outstanding stock options pursuant to ESOP 2010, ESOP 2014 and the following corporate actions completed post March 31, 2015:

1. Pursuant to a Board resolution dated April 9, 2015, 46,836 Equity Shares were allotted to certain allottees pursuant to conversion of warrants;
2. Pursuant to a Board resolution dated April 9, 2015, 144,182 Equity Shares were allotted to certain allottees pursuant to conversion of warrants;
3. Pursuant to a Board resolution dated April 10, 2015, 846,760 Equity Shares was allotted to Dr. M Gopichand pursuant to the amalgamation of HCG Vijay with our Company;
4. Pursuant to a Board resolution dated May 29, 2015, 882,267 Equity Shares were allotted to certain allottees pursuant to ESOP 2010;
5. Pursuant to a Board resolution dated June 26, 2015, 176,800 Equity Shares were allotted to certain allottees pursuant to ESOP 2010; and
6. Pursuant to a Board resolution dated June 26, 2015, 759,323 Equity Shares were allotted to certain allottees pursuant to exercise of warrants.

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

A. Basic and Diluted Earnings Per Share (“EPS”):

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2013	(1.74)	1	(1.74)	1
March 31, 2014	(5.18)	2	(5.18)	2
March 31, 2015	0.08	3	0.07	3
Weighted Average	(1.98)		(1.98)	

Note:

1. The EPS calculations have been done in accordance with Accounting Standard 20 – “Earnings per Share” issued by ICAI
2. The ratios have been computed as below:
 - a. Basic EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
 - b. Diluted EPS (in ₹) = Net profit, after tax, as restated for the year/ period, attributable to equity shareholders / Weighted average number of dilutive equity shares outstanding during the year/ period

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

- 1) P/E based on basic and diluted EPS for the year ended March 31, 2015 at the lower end of the Price Band are [●] and [●] respectively.
- 2) P/E based on basic and diluted EPS for the year ended March 31, 2015 at the higher end of the Price Band are [●] and [●] respectively.

Industry Peer Group P/E ratio

Apollo Hospitals Enterprise Limited is the only listed public industry peer of our Company with a positive P/E ratio. If calculated on a consolidated basis for the year ended March 31, 2015, the P/E ratio is 56.74.

C. Average Return on Net Worth (“RoNW”)

Fiscal Year ended	RoNW (%)	Weight
March 31, 2013	(3.71)%	1
March 31, 2014	(13.48)%	2
March 31, 2015	0.20%	3
Weighted Average	(5.01)%	

Note:

RoNW = Net profit after tax, as restated for the year/ period, attributable to equity shareholders / Net worth (excluding revaluation reserve), as restated, at the end of the year/ period

D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, [●]

- 1) Based on Basic EPS:
At the Floor Price – [●] based on the Restated Statements.
At the Cap Price – [●] based on the Restated Statements.
- 2) Based on Diluted EPS:
At the Floor Price – [●] based on the Restated Statements.
At the Cap Price – [●] based on the Restated Statements.

E. Net Asset Value (“NAV”) per Equity Share

Fiscal year ended/ Period ended	NAV (₹)	Weight
March 31, 2013	40.21	1
March 31, 2014	36.26	2
March 31, 2015	36.26	3
Weighted Average	36.92	
Offer Price	[●]	
After the Offer	[●]	

Note:

NAV = Net Asset Value, as restated, at the end of the period/ year / Number of equity shares outstanding at the end of the year/ period

F. Comparison with Listed Industry Peers

Our Company is a provider of speciality healthcare focused on cancer and fertility. We believe none of the listed companies in India are focused exclusively on these segments. There are, however large multi-speciality hospital chains listed in India.

Name of the company	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Apollo Hospitals Enterprise Limited	51,784.50	5.00	56.74	24.43	10.26%	227.87
Fortis Healthcare Limited	40,886.30	10.00	-*	(3.11)	(4.68)%	87.46

Source: BSE

*P/E ratio is negative

Note:

1. All financials are on a consolidated basis for the financial year ending March 31, 2015
2. Revenue indicates Revenue from Operations
3. Net Income indicates the Net Profit after Taxes and Exceptional Items
4. P/E ratio is calculated as closing share price (July 10, 2015, BSE) * Equity Shares Outstanding (as on March 31, 2015) / Net Income (as defined above)
5. EPS is as reported in the audit report filed with the stock exchanges
6. Net Worth includes Equity Share Capital and Reserves & Surplus
7. RoNW is calculated as Net Income (as defined above) / Closing Net Worth (as defined above)
8. NAV per share is calculated as Net Worth / Equity Shares Outstanding (both as on March 31, 2015)

G. The Offer Price will be [●] times of the face value of the Equity Shares.

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

Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” on pages 16 and F-1, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

11 July 2015

The Board of Directors,
Healthcare Global Enterprises Limited
No. 8, HCG Tower, P. Kalinga Rao Road, Sampangi Ram Nagar,
Bangalore - 500027

Dear Sirs,

Re: Certificate of Statement of possible special tax benefits available to HealthCare Global Enterprises Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘SEBI ICDR Regulations’)

We refer to the proposed public issue of the shares of HealthCare Global Enterprises Limited (the “**Company**”) and enclose a Note (Refer annexure) showing the possible special tax benefits available to the Company and its shareholders as per the provisions of the Income Tax Act, 1961 (“**IT Act**”) (incorporating amendments introduced by Finance Act, 2015) for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. This 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the public issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

The benefits outlined in the enclosed statement are based on the information and particulars provided by the Company and on the basis of our understanding of the business activities and operations of the Company.

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

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

Limitations

Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law 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. The views are exclusively for the limited use of HealthCare Global Enterprises Limited in connection with its public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

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

Name: K. R. Sekar
Partner
(Membership No: 028899)
Place: Bangalore
Date: 11 July 2015

Annexure: 1

NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO HEALTHCARE GLOBAL ENTERPRISES LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

HealthCare Global Enterprises Limited (“the Company”) is an Indian Company, subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all permissible business expenditure, including depreciation.

Considering the activities and the business of HealthCare Global Enterprises Limited, the following benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. The Company will be entitled to claim a deduction in respect of capital expenditure incurred, wholly and exclusively for the purpose of any specified business as per section 35AD of the IT Act.

Specified business for the purpose of section 35AD is in the nature of building and operating a new hospital with at least one hundred beds for patients on or after April 1, 2010.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders.

III. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. As per section 10(2A) of the IT Act, any share income to the Company as a partner in the total income of a firm is exempt from being included in total income of the Company.
2. Under section 24(a) of the IT Act, the Company is eligible for a deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).
3. Under section 24(b) of the IT Act, where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in 5 equal installments beginning with the year of acquisition or construction.
4. Subject to compliance of certain conditions laid down in section 32 of the IT Act, the Company will be entitled to a deduction for depreciation in respect of tangible assets and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules, 1962. Unabsorbed depreciation, if any, shall be carried forward for set off in the subsequent years indefinitely.
5. The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares in connection with extension of its undertaking or setting up of new undertaking, under section 35D(2)(c)(iv) of the IT Act, subject to the nature of expense and limit specified in section 35D(3) of the IT Act.
6. Under section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

7. The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under section 35DDA of the IT Act in five equal annual installments subject to conditions specified in that section.
8. The Company will be entitled to claim contribution made to approved institution engaged in carrying eligible project or scheme under section 35AC of the IT Act as deduction from the business income.
9. Under section 71 of the IT Act, business loss suffered by the Company during the year is allowed to be set-off against income from any other head.
10. Under section 72 of the IT Act, the Company is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of eight consecutive assessment years immediately succeeding the assessment year when the losses were incurred, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. However, only such losses which have been determined in pursuance of a return filed in accordance with Sec.139(1) of the IT Act shall be carried forward and set off under section 72 of the IT Act.
11. Under section 79 of the IT Act, the carry forward and set off of business losses of a listed company would not be impacted on a change in shareholding pattern of the Company.
12. Under section 115JB of the IT Act, in case the income tax payable under the normal provisions of the IT Act is less than 18.5% of the book profits of the Company, then such book profit would be deemed to be the total income of the Company for that year and Minimum Alternate Tax (MAT) payable on such total income would be at the rate of 18.5% plus applicable surcharge and education cess.
13. Under section 115JAA(1A) of the IT Act, where any tax is paid under the MAT provisions for any assessment year commencing on the 1st day of April 2006, credit in respect of tax so paid shall be allowed to the Company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to ten years succeeding the year in which the MAT credit becomes allowable.
14. Under section 115-O of the IT Act, for the purpose of payment of dividend distribution tax (DDT) at 15% (plus applicable surcharge and education cess) on the dividends, the dividends so declared, distributed or paid by the domestic company shall be reduced by the dividends received from its subsidiary provided where such subsidiary is a domestic company, the subsidiary has paid DDT on the dividends declared / distributed / paid by it and where such subsidiary is a foreign company (in which the Indian company holds twenty-six per cent or more in nominal value of the equity share capital), the domestic company has paid taxes under section 115BBD of the IT Act at 15% (plus applicable surcharge and education cess) on such dividend income. For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the former mentioned company.

For the purpose of determining DDT on dividends under section 115O of the IT Act, the dividend amount (i.e. dividends to be distributed / declared / paid minus dividend income received from subsidiaries as discussed above – hereinafter referred to as net distributed profits) would be increased to such amount as would, after reduction of DDT on such increased amount at 15% be equal to the net distributed profits.

Dividend Income

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax.

2. As per section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in section 2(h) of the said Act.

3. However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.
4. Also, section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.
5. As per section 115BBD of the IT Act, dividend income received by an Indian company from a specified foreign company i.e. in which the Indian company holds twenty-six per cent or more in nominal value of the equity share capital, will be taxable @ 15% on gross basis (plus applicable surcharge and education cess).

Capital Gains

1. As per section 2(42A) of the IT Act, where a security (other than a unit) listed in a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963) or a unit of an equity oriented mutual fund or a zero coupon bond is held for twelve months or less is considered as short term capital asset. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act.

In respect of other assets, the determinative period of holding is thirty six months as against twelve months mentioned above. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

2. Under section 10 (33) of the IT Act, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the 1st day of April 2002 is exempt under provisions for computation of income under the head Income from Business or book profits u/s 115JB.
3. Under section 10(38) of the IT Act, long term capital gains arising to the Company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to Securities Transaction Tax (“STT”).

For this purpose, “Equity Oriented Fund” means a fund –

- a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

- b. which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the IT Act.

The Long Term Capital gains exempt under section 10(38) would be liable to MAT under section 115JB of the IT Act.

- 4. Under Second Proviso to section 48 of the IT Act, the long term capital gains (in cases not covered under section 10(38) of the IT Act) of the Company arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged @ 20% as per section 112 of the IT Act plus applicable surcharge and education cess. In respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.
- 5. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months from the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

“Long term specified asset” for the purpose of making investment under section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or;
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in the long term specified Asset made by the Company on or after April 1, 2007 during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed 50 lakhs rupees.

The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under section 80C for any assessment year beginning on or after 1 April, 2006.

- 6. Under section 111A of the IT Act, short term capital gains arising to the Company from the sale of a short term capital asset being an equity share or a unit of an equity oriented fund will be taxable at the rate of 15% (plus applicable surcharge and education cess) where such transaction is chargeable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

For this purpose, ‘equity oriented fund’ would have the same meaning as specified in section 10(38) above.

- 7. Short-term capital loss suffered by the Company during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term/short term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital

gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

Income from buy back of shares

As per section 10(34A) of the IT Act, any income arising to the Company being a shareholder, on account of buy back of shares (not being listed on a recognized stock exchange) by a company as referred to in section 115QA of the IT Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

Other Deductions

A deduction amounting to 100% or 50%, as the case may be, of the sums paid as donations to various entities is allowable as per section 80G of the IT Act.

A deduction amounting to 100% of any sum contributed (otherwise by way of cash) to any political party or an electoral trust is allowable under section 80GGB of the IT Act while computing total income.

IV. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. As per the provisions of section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where such transaction has suffered securities transaction tax.
3. Under Second Proviso to section 48 of the IT Act, the long term capital gains (in cases not covered under section 10(38) of the IT Act) of the Shareholder arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement. The resulting long term capital gains would be charged to tax @ 20% as per section 112 of the IT Act plus applicable cess. In respect of long term capital gains from the sale of listed securities (other than a unit) or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% (plus applicable surcharge and education cess).
4. Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months from the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

“Long term specified asset” for the purpose of making investment under section 54EC of the IT Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or;
- b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in the long term specified Asset made by the Shareholder son or after April 1, 2007 during the financial year in which the original asset or assets are transferred and the subsequent financial year should not exceed 50 lakhs rupees.

The cost of the long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under section 80C for any assessment year beginning on or after 1 April, 2006.

5. As per the provisions of section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains(which are not exempt under section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (“HUF”) on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of one residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of one residential house property within a period of 3 years after the date of such transfer.
6. As per section 74 short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short term as well as long-term capital gains.

Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long term capital gains.

Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the speculative transactions in those years.

7. In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profit and gains of business or profession’.
8. As per the provisions of section 111A of the IT Act, short-term capital gains from the sale of equity shares of the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction has suffered securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

V. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS SHAREHOLDERS (OTHER THAN NON-RESIDENT INDIANS, MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. Under the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on investment in the shares of the Company is exempted from the tax.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. Under the provisions of section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided such transaction is chargeable to securities transaction tax.
3. Under section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the Company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
4. As per Finance Act, 2015, income from transfer of securities arising to the foreign company shall be excluded from the chargeability of MAT if tax payable on such income is less than 18.5%.
5. In terms of the first proviso to section 48 of the IT Act, in case of a non-resident, while computing the capital gains (in cases not covered under section 10(38) and not subject to section 111A of the IT Act) arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.
6. Under the provisions of section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
 - a. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the long term specified asset made by the Shareholder on or after April 1, 2007 during the financial year in which the original asset or assets

are transferred and the subsequent financial year should not exceed 50 lakhs rupees.

The cost of long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under section 80C for any assessment year beginning on or after 1 April, 2006.

7. Under the provisions of section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of one residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of one residential house property within a period of 3 years after the date of such transfer.
8. Under section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Non-Resident would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the Non-Resident.

Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.

9. In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

VI. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

1. Under the provisions of section 10(34) of the IT Act, any income by way of dividends referred to in section 115O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on investment in the shares of the Company is exempted from the tax and are not subjected to any deduction of tax at source.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. Under the provisions of section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided such transaction is chargeable to securities transaction tax.
3. Under section 111A of the IT Act, short-term capital gains arising from the sale of an equity share, being a short term capital asset in the Company, would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction is liable to securities transaction tax. Short Term Capital Gains arising from transfer of shares in the Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4. In terms of the first proviso to section 48 of the IT Act, in case of a non-resident, while computing the capital gains (in cases not covered under section 10(38) and not subject to section 111A of the Act) arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.
5. Under the provisions of section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
 - a. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the long term specified asset made by the Shareholder on or after April 1, 2007 during the financial year in which the original asset or assets are transferred and the subsequent financial year should not exceed 50 lakhs rupees

The cost of long term specified assets, which has been considered under this section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under section 80C for any assessment year beginning on or after 1 April, 2006.

6. Under the provisions of section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of one residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of one residential house property within a period of 3 years after the date of such transfer.
7. Losses arising on the purchase and sale of such shares which are speculative in nature shall be allowed to be set off only against the profits arising on speculative transactions alone. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding four assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.
8. Special provisions relating to taxation of Income from Investment and long term capital gains (other than those exempt under section 10(38) of the IT Act):
 - a. A non-resident Indian, has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special provisions relating to certain incomes of non-residents".
 - b. Under section 115E of the IT Act, where shares in a company are subscribed for in convertible foreign exchange by a non-resident Indian, capital gains arising to such non-resident Indian on transfer of shares held for a period exceeding 12 months shall (in case not covered under section 10(38) of the IT Act) be taxed at a flat rate of 10% (plus applicable educational cess)

without indexation benefit, but with protection against foreign exchange fluctuation under the first proviso to section 48 of the IT Act.

- c. As per provisions of section 115E of the Act, income (other than dividend which is exempt under section 10(34)) from investments and long term capital gain (other than gain exempt under section 10(38)) from assets (other than specified foreign exchange assets) arising to a non-resident Indian is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VIA of the IT Act.
 - d. Under section 115F of the IT Act, long term capital gains (not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible foreign exchange shall be exempt from income tax if the entire net consideration is reinvested in specified new assets within six months from the date of transfer. If only a part of the net consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted into money within three years from the date of their acquisition.
 - e. Under section 115G of the IT Act, non-resident Indians are not obliged to file a return of income, if their only source of income is income from specified investments or long term capital gains or both arising out of specified investments acquired, purchased or subscribed in convertible foreign exchange, provided tax has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
 - f. Under section 115H of the IT Act, where a non-resident becomes assessable as resident in India, he may furnish to the Assessing Officer a declaration in writing along with his return of income under section 139 for that assessment year, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any specified investments for that year and any subsequent assessment years until such investments are transferred or converted into money.
 - g. Under section 115I of the IT Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A of the IT Act for any assessment year by furnishing his return of income under section 139 of the IT Act declaring therein that the provisions of this Chapter shall not apply to him for that assessment year. In such a case, the tax on Investment income and long term capital gains shall be computed in accordance with the normal provisions of the IT Act.
- 9. Under section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Non-Resident Indian would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the Non-Resident Indian.
 - 10. In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

VII. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VIII. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. Under the provisions of section 10(34) of the IT Act, dividend income (referred to in section 115-0 of the IT Act) received on the shares of a domestic company would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

2. Under the provisions of section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction is liable to securities transaction tax.
3. Under the provisions of section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is liable to securities transaction tax and 30 percent (plus applicable surcharge and education cess) where such transaction of sale is not subject to securities transaction tax.
4. Under the provisions of section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:
 - a. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year in which the original asset or assets are transferred and the subsequent financial year should not exceed 50 lakhs rupees

5. Any profit or loss arising from sale of securities shall be considered as capital gains or capital losses as the case may be. The unabsorbed losses, if any, shall be allowed to be carried forward for a period not exceeding eight assessment years immediately succeeding the assessment year in which the loss is first computed and set off against the profits arising from the sale of such shares.
6. Under the provisions of section 115AD of the IT Act, income (other than income by way of dividends referred to in section 115-O of the IT Act or capital gains referred to in section 10(38) and 111A of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income

Rate of tax (%)

Income in respect of securities

20 (refer note)

Long term capital gains	10
Short term capital gains	30

Note: Any income by way of interest in respect of a rupee denominated bond of an Indian Company and government securities would attract tax of five per cent as per section 194LD.

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under section 48 of the IT Act are not available.

7. As per section 196D (2) of the IT Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
8. As per Finance Act, 2015, income from transactions in securities (other than short-term capital gains arising on transactions on which securities transaction tax is not chargeable) arising to a FII, is excluded from the chargeability of MAT and the profit corresponding to such income shall be reduced from the book profit (subject to the investment being made in accordance with the relevant regulations under SEBI).
9. As per section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent the DTAA provisions are more beneficial to the FII.

IX. GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

1. Under section 10(23FA) of the IT Act, any income by way of dividends (other than dividends referred to in section 115O) or long term capital gains of a venture capital fund or venture capital company from investment in equity shares of a venture capital undertaking (engaged in specified businesses) would be exempt from tax subject to the conditions specified.
2. Under section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the Fund (if non- resident) would prevail over the provisions of the IT Act to the extent the DTAA is more beneficial to the non-resident..

AMENDMENTS UNDER THE IT ACT

The Government of India has recently made amendments in the existing income tax laws to incorporate provisions relating to General Anti-Avoidance Rules (GAAR). As per the Finance Act 2015, GAAR would be applicable from Financial Year 2017-2018 (Assessment Year 2018-19).

Notes:

- a. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*
- b. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*
- c. *We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.*
- d. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*

- e. *This 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, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
- f. *In respect on non-residents, the tax rates and the consequent taxation mentioned above shall further be subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*
- g. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act, 2015.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from industry sources and has not been independently verified by us, the Book Running Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

India's economy has witnessed a significant growth in the recent past, growing by 7.3% in 2015 as against 6.9% in 2014. The size of the Indian economy is estimated to be ₹129.57 trillion (US\$2.01 trillion) in 2014. It is estimated that India will witness a GDP growth rate of 7.5% in 2016, due to improved investor confidence, lower food prices and policy reforms. (Source: India Brand Equity Foundation, <http://www.ibef.org/economy/indian-economy-overview>)

Overview of the Indian Healthcare Industry

Healthcare spending represented an estimated 4% of India's GDP in 2012. At a market value of US\$81.3 billion, India was the sixth largest healthcare market globally in 2014. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

The Indian healthcare industry comprises five segments: (i) hospitals, (ii) pharmaceuticals, (iii) medical insurance, (iv) medical equipment and supplies, and (v) diagnostics. The hospital segment comprised about 71% of the total healthcare revenue in India at 2012 estimates. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

Healthcare delivery in India has two components: public and private. The public, i.e., the government healthcare system, focuses on addressing primary healthcare needs across India and particularly so in the rural areas. The government also manages secondary and tertiary care hospitals across India. The private sector comprises primarily secondary and tertiary care hospitals predominantly located in metropolitan, tier I and tier II cities. The private sector accounts for almost 72% of India's total healthcare expenditure. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

The Indian healthcare industry is expected to grow at a CAGR of 17% between 2008 and 2020; and by 2020, the Indian healthcare industry is expected to have a market value of US\$280 billion. (Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

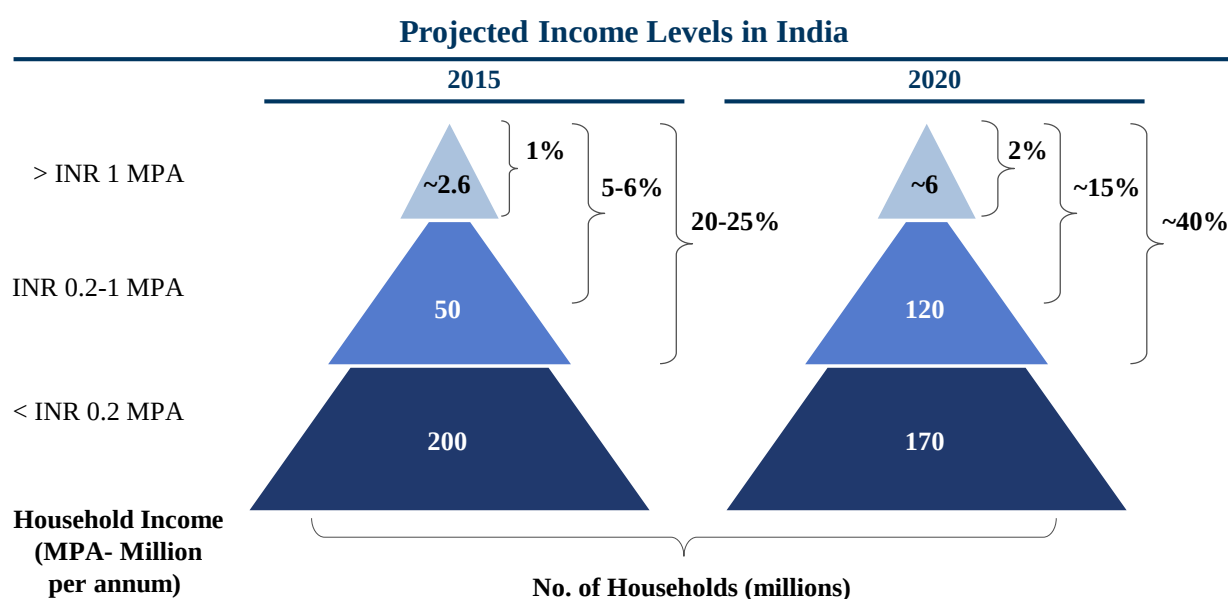
The growth in the Indian healthcare industry will be primarily driven by:

- socio-economic changes such as growing health awareness, increasing per-capita income, increasing penetration of health insurance, increasing instances of lifestyle diseases and an aging population;
- technological advancements such as continuing development of mobile technology which will enhance the delivery of healthcare through telemedicine;
- affordability of healthcare in India, which will attract more patients. For example, treatment for major surgeries in India costs approximately 20% less than the cost in a developed country; and
- government policies in India that support the growth in the healthcare industry such as tax reliefs on hospitals in tier II and tier III cities, which will attract healthcare investment in these areas.

(Source: India Brand Equity Foundation, <http://www.ibef.org/industry/healthcare-presentation>)

As noted above, one of the key factors for the increase in healthcare expenditure in India is the projected rise in income levels. The number of households in India earning more than ₹0.2 million per annum is expected to

increase from around 50 million in 2015 to around 120 million in 2020, as shown in the graph below:



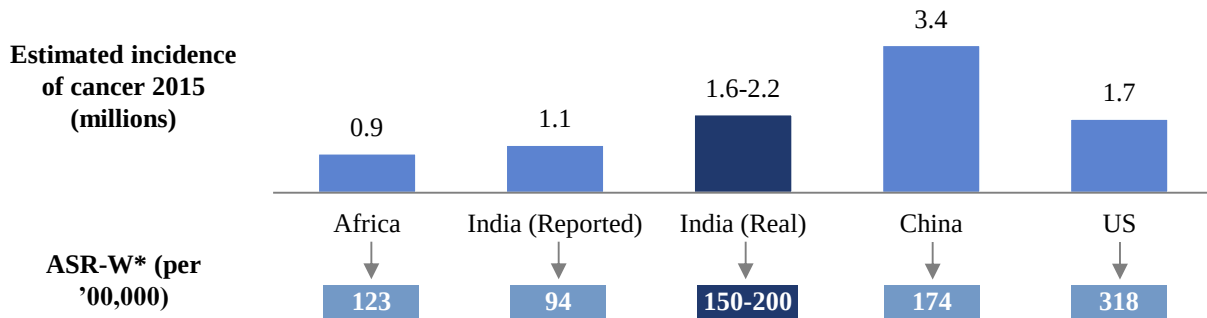
(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 49, published by Ernst & Young)¹

Cancer Prevalence and Incidence in India

The prevalence of cancer in India is estimated to be 3.9 million people in 2015, with 1.1 million reported new cancer cases during the year. The real incidence of cancer in India could be significantly higher than the reported figure. Data from large randomised screening trials undertaken in India suggest that the real incidence of cancer could be 1.5 to 2 times higher than the reported incidence, or an estimated 1.6 to 2.2 million new cancer cases during 2015. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 3, published by Ernst & Young)¹ Even at this level, the age adjusted cancer incidence per 100,000 people in India is significantly lower than that in the United States and China, as illustrated in the graph below:

¹ This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor. Ernst & Young hereby disclaims confirming or verification of any of the contents as mentioned under the documents filed by you before various authorities as part of your filings in any manner whatsoever, and also disclaims its relationship or involvement with such documents in any capacity altogether, except where it has consented to the inclusion of references to its reports in such documents.

Cancer Incidence across Countries



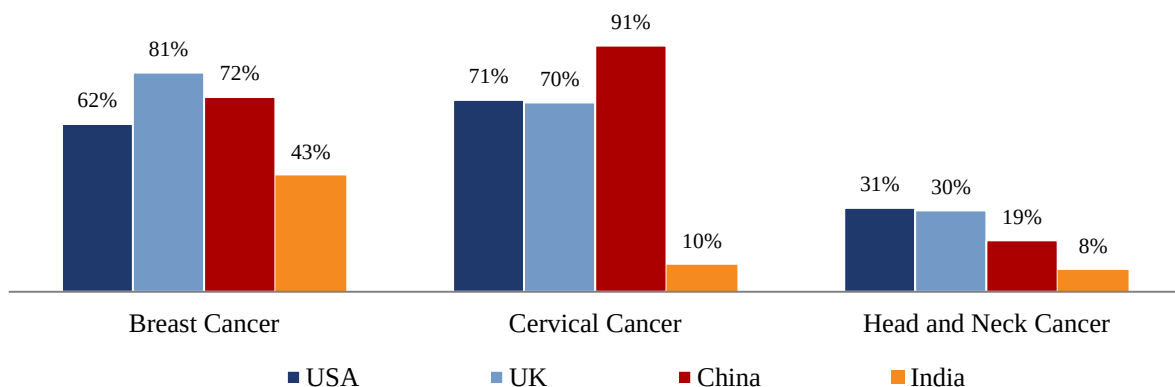
*The ASR-W is a weighted mean of the age-specific incidence rates. The weights are taken from the population distribution of the 'World Standard Population' defined by WHO, and the estimated incidence rate is expressed per 100,000 population for comparisons between different geographies, as age is a key determinant of cancer incidence.

(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 12, published by Ernst & Young)¹

The reported incidence of cancer in India is based on data collected from the cancer registries, which cover less than 10% of the population, resulting in a significant margin of error in estimation. The gap between reported and real cancer incidence can primarily be attributed to under-diagnosis of cancer in India. The under-diagnosis of cancer is represented in the relatively late stage of presentation of cancer cases in India relative to China, the United Kingdom and the United States. Data collected between 2009 and 2011 show that only 43% of breast cancer cases were diagnosed at early stages (i.e., stage I or stage II) of the disease in India while it is 62% in the United States, 81% in the United Kingdom and 72% in China. While this varies with the type of cancer, the rate of diagnosis in India is generally more delayed compared to other countries. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 3, published by Ernst & Young)¹

The following graph sets out the comparison of early stage (i.e., stage I or stage II) cancer diagnosis during the period from 2009 to 2011 in India, and in the United States, the United Kingdom and China during the period from 2009 to 2013, by different cancer types:

Cancer Diagnosis at Early Stages (Stage I or Stage II)



(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 14, published by Ernst & Young)¹

Lack of awareness of cancer and the lack of participation in screening programs in India are significant contributory factors for the relatively late stage of the disease presentation and consequently low reported cancer incidences in India. Fewer than 1% of women in India aged between 40 and 69 years participated in

recommended breast screening mammograms once in 24 months, as compared to 30% in China and 65% in the United States in 2014. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 14, published by Ernst & Young)¹

Key factors driving the increase in cancer incidences

The prevalence of cancer in India is expected to increase from an estimated 3.9 million in 2015 to an estimated 7.1 million people by 2020. The reported cancer incidences in India are expected to increase from an estimated 1.1 million in 2015 to 2.1 million by 2020. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 5, published by Ernst & Young)¹

The increase in cancer incidences is primarily driven by the following factors:

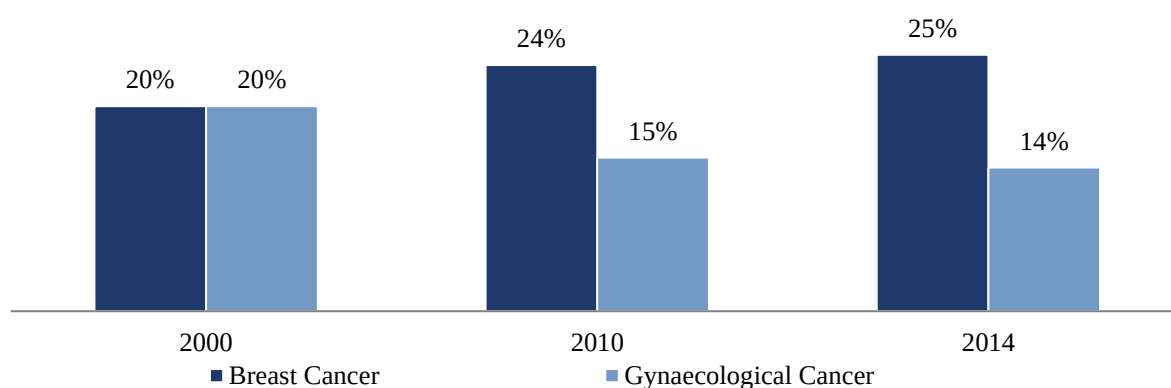
Demographic changes: Cancer incidence rates increase with age, and particularly so after the age of 50 years. India's population is ageing, and in particular the population over the age of 50 years is expected to increase from 228 million in 2015 to 262 million by 2020. Demographic factors alone are expected to result in an increase in cancer incidences of 100,000 to 350,000 cases a year. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 5, published by Ernst & Young)¹

Exposure to Risk Factors: Factors that have been associated with increased risk of cancer including tobacco use, rising alcohol consumption, increasing use of processed food and meat, reduced fiber content in the diet and rising incidence of obesity are anticipated to result in increasing cancer incidences in India. Additionally, increasing levels of air pollution in urban India are also anticipated to result in an increased risk of cancer. These high risk factors are expected to result in an increase in cancer incidences of 350,000 to 450,000 cases a year. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 5, published by Ernst & Young)¹

Narrowing diagnosis gap: Growing cancer awareness, a greater public emphasis on screening and improvements in diagnosis of cancer, are resulting in earlier and increased diagnosis of cancer. While earlier diagnosis will potentially result in lower mortality rates, it is also expected to result in increased reported cancer incidence rates in the next five years. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 5, published by Ernst & Young)¹

The profile of cancers in India is also changing, and is becoming more similar to that seen in more urbanised and higher income societies. For instance, in 2000, the most prevalent cancers in India were head and neck cancers in men (associated with oral tobacco use) and cervical cancer in women (associated with human papillomavirus infection and poor female sanitation). Breast cancer has currently surpassed cervical cancer as the most prevalent cancer in women as illustrated in the table below. The incidence rates of gastrointestinal cancers, which have traditionally been low in India in comparison to developed nations and China, have also shown an increasing trend. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 3, published by Ernst & Young)¹

Percentage of Cancer Incidences in Women in India



(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 18, published by Ernst & Young)¹

Cost of Cancer Treatment in India

The annual expenditure in India for the diagnosis and treatment of cancer is estimated to be between US\$1.7 and US\$2.0 billion as of 2015. Even at for-profit hospitals in India, the cost of cancer care, including treatment with the most advanced technologies (such as PET-CT and LINAC based radiation therapy) is one of the lowest in the world and represents only a fraction of the cost of treatment in the United States and Europe even after adjusting for purchasing power parity. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 55, published by Ernst & Young)¹

The table below sets out the cost of cancer treatment in India and the United States by service offerings, during 2014 and 2012, respectively:

Cost of Cancer Treatment (Amounts in ₹)

Type of treatment	India	United States	United States (purchasing power parity adjusted)
Chemotherapy	150,000 - 240,000	1.3 - 1.8 million	510,000 - 720,000
Surgery	60,000 - 100,000	1.5 - 1.8 million	600,000 - 720,000
Radiation Therapy	60,000 - 100,000	1.1 - 1.4 million	420,000 - 540,000

(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 36, published by Ernst & Young)¹

Even though the cost of cancer treatment in India is significantly lower than in the United States, high quality cancer care is still unaffordable and inaccessible to a large proportion of the Indian population due to the costs that patients have to incur to travel outside their towns to avail of cancer treatment, low population coverage of public and private insurance programs and low average household income levels. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 35, published by Ernst & Young)¹

Existing Demand-Supply Gap in Diagnosis and Treatment

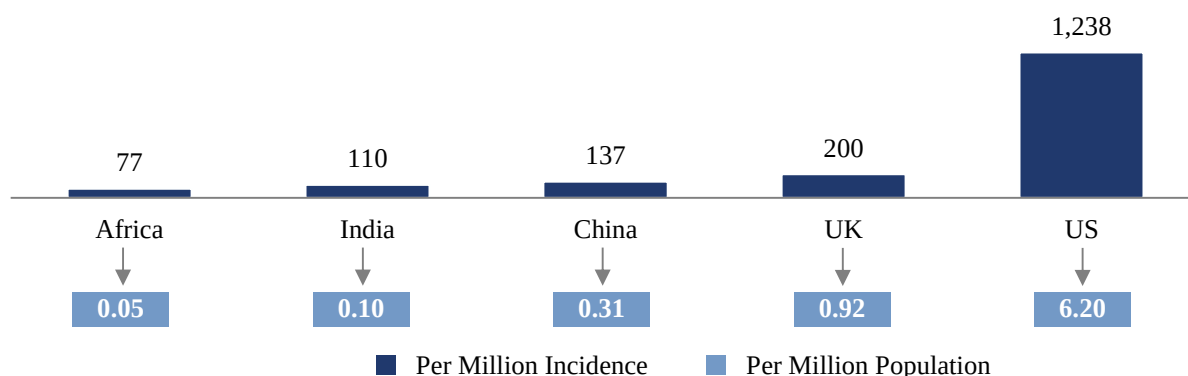
Diagnosis

Lack of adequate infrastructure and absence of mass screening programs are key barriers to timely diagnosis in India. As of 2014, there are only 2,700 mammograms installed in India or 1 per 220,000 women, as compared to 1 per 10,000 women in the United States. Also, as of 2015, there are 121 PET-CT scanners installed in India, a majority of which are in metropolitan cities. PET-CT scanners are essential for accurate diagnosis, staging and response monitoring of cancer and are therefore critical to providing comprehensive cancer care. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page numbers 39 and 40, published by Ernst & Young)¹

As of 2014, only 30% of the cancer centres in India have advanced imaging technologies such as PET-CT. An estimated 200,000 to 250,000 PET-CT scans were carried out in India in 2014, compared to more than 400,000 in China in 2012 and approximately 1.6 million in the United States in 2014. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 14, published by Ernst & Young)¹

The graph below shows the number of PET-CT scanners per million population and per million new cases of cancer across India, United States, United Kingdom, Africa and China as of 2015:

PET CTs per Million New Cases of Cancer Per Year (Global Comparison)



(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 40, published by Ernst & Young)¹

PET-CT scans use a radioactive material, Fludeoxyglucose ("FDG"), which is manufactured in a cyclotron and has limited shelf life, making it difficult to transport to remote locations. As of 2015, India has only 15 cyclotrons, all of which are located in the metropolitan cities. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 40, published by Ernst & Young)¹

Treatment Landscape

Radiation Therapy

A key requirement for successfully providing radiation therapy is the availability of the Linear Accelerator ("LINAC"). India is currently characterised by limited density and geographic concentration of LINACs. Due to poor access to cancer care and low affordability, only 15% to 20% of cancer patients in India receive radiation treatment with LINAC, compared to an international standard of 50% to 60% as of 2015. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 41, published by Ernst & Young)¹

As of 2015, only 40 out of the 640 districts in India have LINAC installations. Of the 342 LINAC installations operational in India as of 2015, one third of the installations are concentrated in seven metropolitan cities. Certain metropolitan cities have a density of LINACs which is higher than that of China. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 41, published by Ernst & Young)¹

The table below sets out a global comparison of availability of LINACs relative to the population, prevalence and incidence of cancer:

Availability of LINACs (Global Comparison)

Region/Country	Number of LINACs (2015)	LINACs per Million Population	Cancer Prevalence per LINAC	Cancer Incidence per LINAC
United States	3,818	11.9	1,572	419
United Kingdom	323	5.0	3,096	929
China	986	0.7	6,288	3,144
India	342	0.3	7,310	3,216

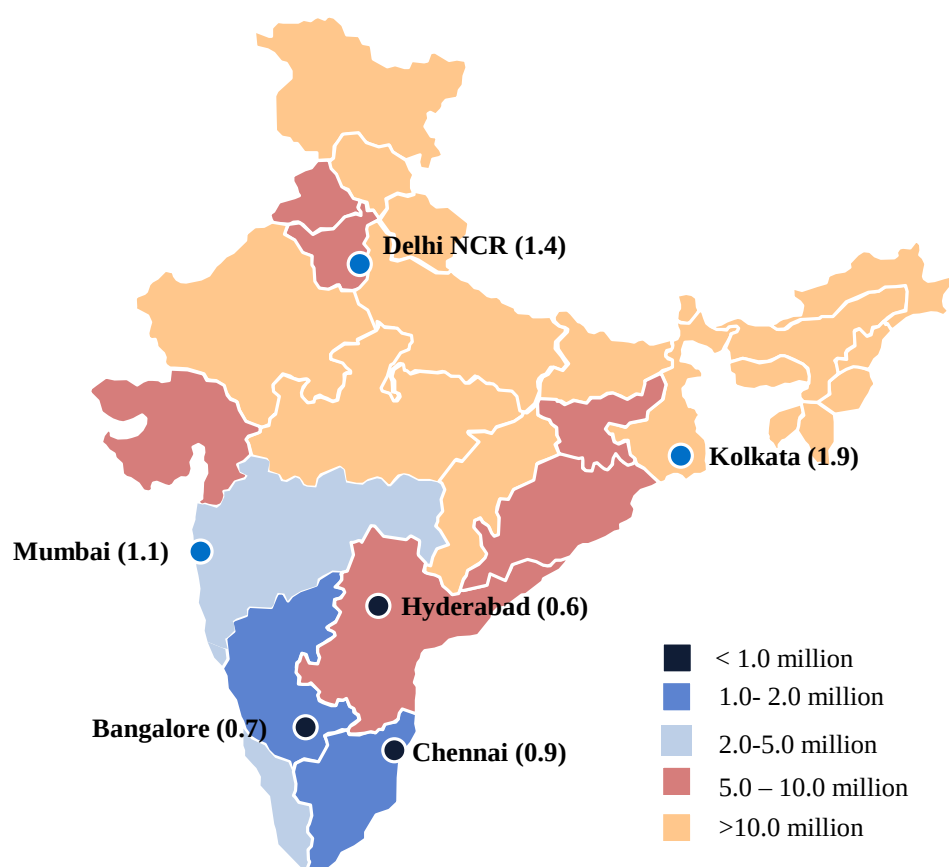
(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 41, published by Ernst & Young)¹

Comprehensive Cancer Care

As of 2014, India has only 200 to 250 comprehensive cancer centers which provide diagnosis, treatment and post-treatment care at a single location, which represents one per 6 million people, as compared to one per 0.2 million in the United States. An estimated 40% of these centres are located in eight metropolitan cities and fewer than 15% of these centres are government operated, which limits access to advanced and multimodal treatment options available to cancer patients and as a consequence the majority of cancer care is expected to be provided by the private/for-profit sector in India. India needs at least 450 to 550 comprehensive cancer centres by 2020, with a high proportion of such centres in non-metropolitan cities and towns. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page numbers 42 and 59, published by Ernst & Young)¹

The map below shows the number of people served by one comprehensive cancer centre in certain metropolitan cities as well as various states of India as of 2015:

Number of People (millions) Served by One Comprehensive Cancer Centre (2015)



(Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 42, published by Ernst & Young)¹

In addition, there is a significant shortage of oncologists in India. India has only one oncologist per 1,600 cancer patients in India, as against one per 100 cancer patients in the United States as of 2014. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 35, published by Ernst & Young)¹

Outlook for the treatment landscape

India needs at least an estimated 750 to 900 LINAC installations by 2020. Due to the limited access to cancer care in India and inability of significant sections of the population to pay for quality care, only around 15% to 20% of cancer patients are currently able to undergo radiation treatment in India, as compared to an actual clinical need of 40% to 45% of cancer patients. In the absence of any constraints relating to affordability and

availability of radiation therapy, India is expected to require an estimated 2,000 LINAC installations by 2020. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 56, published by Ernst & Young)¹

As of 2015, cancer patients undergo an estimated 1.4 to 2.0 million chemotherapy cycles each year in India. This is expected to increase to 2.3 to 3.5 million chemotherapy cycles by 2020. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 57, published by Ernst & Young)¹

Approximately 0.3 to 0.4 million cancer surgeries were performed in India during 2015. This resulted in a demand for about 4,500 dedicated cancer beds. The demand for cancer surgeries is estimated to increase to 0.6 to 0.75 million surgical cases by 2020, resulting in a demand for 9,000 to 10,000 dedicated cancer beds. In the absence of constraints relating to affordability and availability of cancer care in India, the potential need for cancer surgeries would be 1.2 to 1.6 million surgeries a year, resulting in need for 17,000 to 22,000 cancer beds by 2020. (Source: *Call for Action: Expanding cancer care in India* dated July 2015, page number 58, published by Ernst & Young)¹

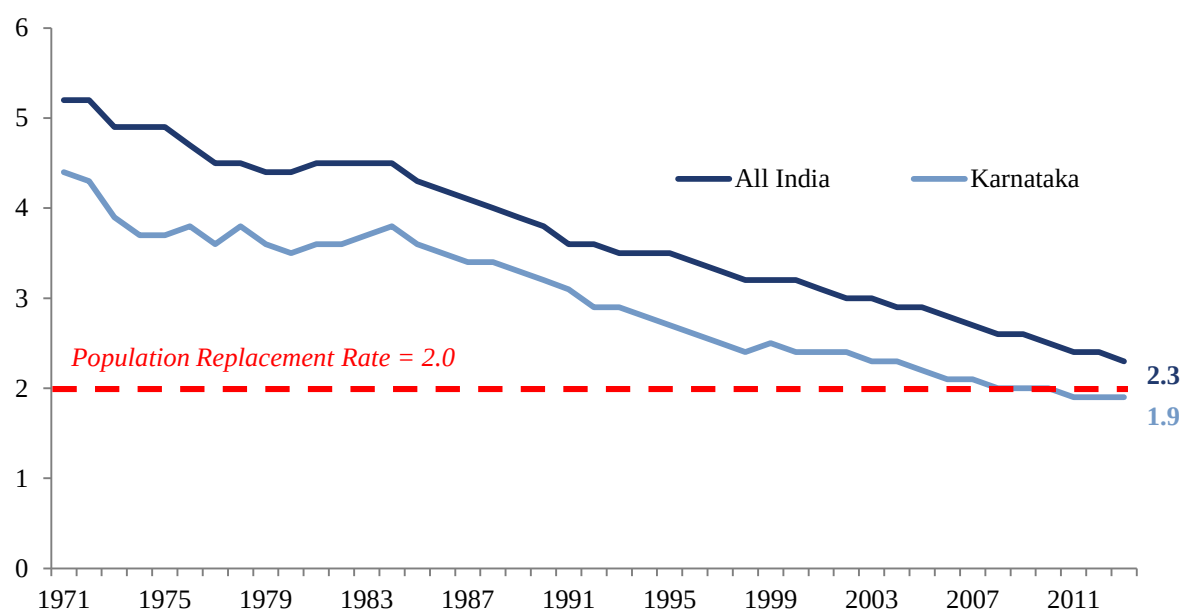
Infertility Incidences in India

An estimated 220 million women in India are of reproductive age (between 20 and 44 years of age) and about 27.5 million couples in this group are estimated to be suffering from infertility. The number of infertile couples in India is expected to increase from 27.5 million in 2015 to between 29 and 32 million by 2020. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 42, published by Ernst & Young)¹

The total fertility rate (defined as the average number of children born to a woman during her lifetime) in India has witnessed a rapid decline over the last few decades. The total fertility rate in India has decreased from 3.9 in 1990 to 2.3 in 2013. Several Indian states, including Karnataka, Tamil Nadu and Kerala have total fertility rates less than 2.0, which is considered to be the rate below which population would tend to decline. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page numbers 11 and 15, published by Ernst & Young)¹

The graph below shows the total fertility rates across India and in the state of Karnataka from 1971 to 2013:

Total Fertility Rate (1971-2013)

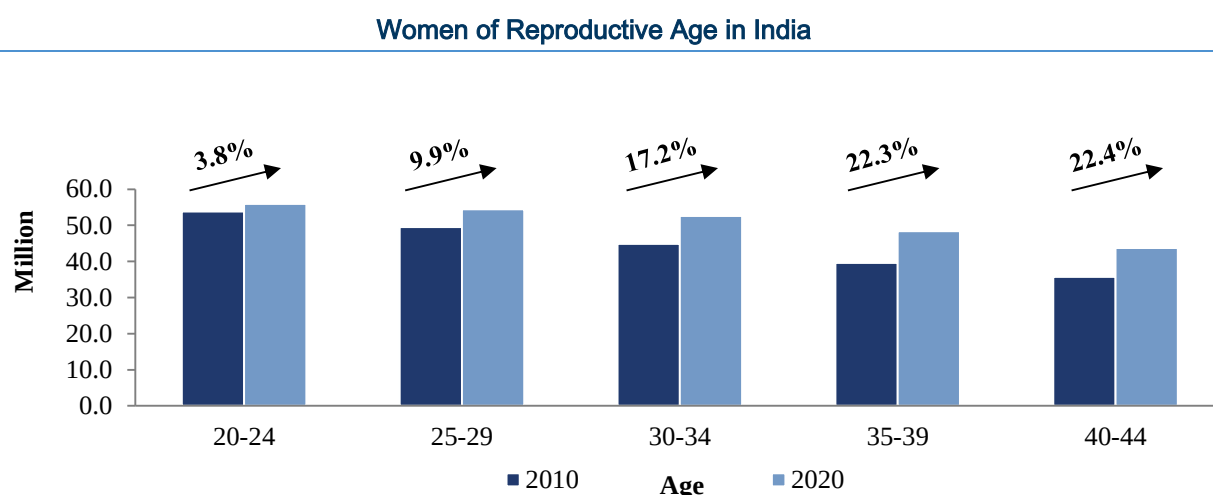


(Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 11, published by Ernst & Young)¹

Key Factors Driving Increase in Infertility Incidences

The prevalence of infertility in India has been rising owing to various factors. These include:

Demographic changes: The number of women of reproductive age in India is forecast to increase by 14% between 2010 and 2020. The number of women between 30 years and 44 years of age, the age group which is most likely to seek fertility treatment, is forecast to increase by about 20% during the period as illustrated in the graph below:



(Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 12, published by Ernst & Young)¹

Lifestyle changes: Changes in lifestyle such as increasing marital age, increasing number of working women, rising alcohol and tobacco consumption and stress are among the factors responsible for growing infertility incidences in India. (Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 3, published by Ernst & Young)¹

Clinical factors: Prevalence of several known clinical risk factors among the Indian population is also responsible for growing infertility incidences in India. These include:

- **Poly-Cystic Ovarian Syndrome ("PCOS"):** PCOS is a condition caused by a hormone imbalance in women, which can result in insulin resistance, obesity, ovarian cysts and infertility. Various studies have reported PCOS prevalence in India to be between 3.7% and 22.5% among women.
- **Endometrium Tuberculosis:** Genital tuberculosis causes tubal blockage and endometrial damage resulting in infertility. Studies published between 1997 and 2008 have estimated that about 18% of the infertile women of reproductive age in India were suffering from genital tuberculosis.
- **Obesity:** Prevalence of obesity, a known risk factor for infertility, among Indian women has been steadily rising, from 10.6% in 1998 to around 24.7% in 2014.
- **Ethnicity:** Research studies suggest that women of South Asian ethnicity might have poor ovarian reserves and an earlier onset of infertility compared to Caucasians.

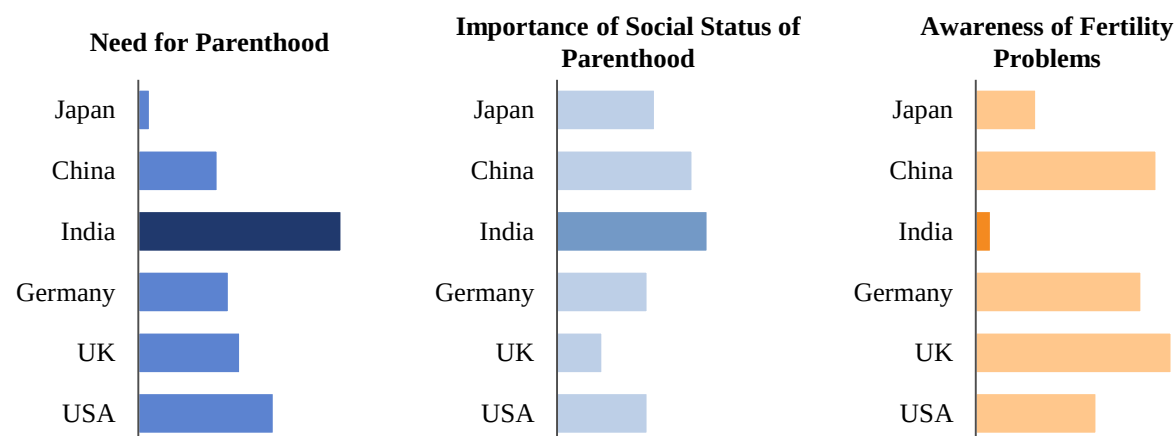
(Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 3, published by Ernst & Young)¹

Treatment Landscape

Studies have shown that culturally, the need for parenthood and the desire to have children is extremely high in India relative to other countries. There is a social status associated with parenthood and conversely, a stigma associated with childlessness. However, awareness of infertility and fertility treatment options in India are among the lowest in the world. (Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 4, published by Ernst & Young)¹

The graph below sets out a comparison of (i) the need for parenthood, (ii) the importance of social status associated with parenthood, and (iii) the relative awareness of infertility problems in India, the United States, the United Kingdom, China, Japan and Germany:

Factors Influencing Infertility Treatment

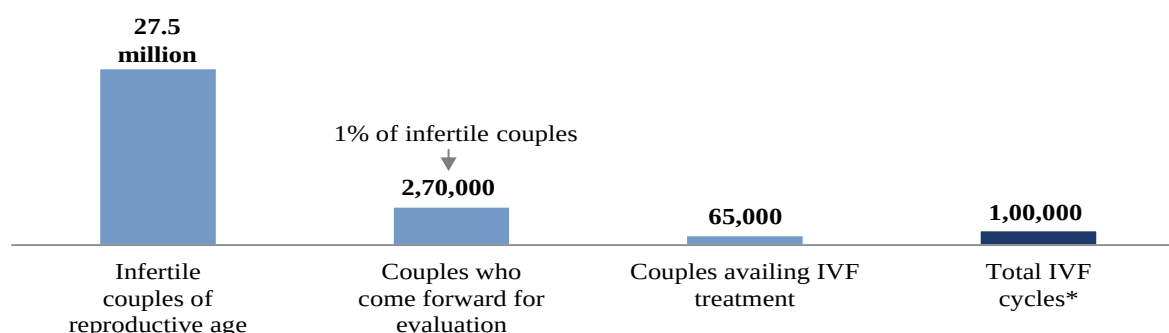


(Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 38, published by Ernst & Young)¹

The primary assisted reproduction treatment options for infertility include intrauterine insemination ("IUI") and in-vitro fertilization ("IVF"). Surgical procedures may also be required in certain patients. Certain assisted reproduction procedures may require a male (sperm) or female (egg) donor. Some cases may also require a gestational surrogate. Fertility preservation is an emerging field, and due to the rising incidence of cancer in patients of reproductive age, there is an increase in cryo-preservation of egg or fertilized embryo in cancer patients prior to commencement of cytotoxic treatment. (Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 24, published by Ernst & Young)¹

The IVF market in India is significantly underpenetrated relative to the potential demand. India recorded 2,786 IVF cycles per million infertile women aged between 20 years and 44 years in 2015, compared to 46,042 IVF cycles in the United States in 2013, and 6,494 IVF cycles in China in 2014. (Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 30, published by Ernst & Young)¹

Landscape of Infertility Treatment in India



*IVF cycles represent a stimulation cycle resulting in egg collection

(Source: Call for Action: Expanding IVF treatment India dated July 2015, page number 42, published by Ernst & Young)¹

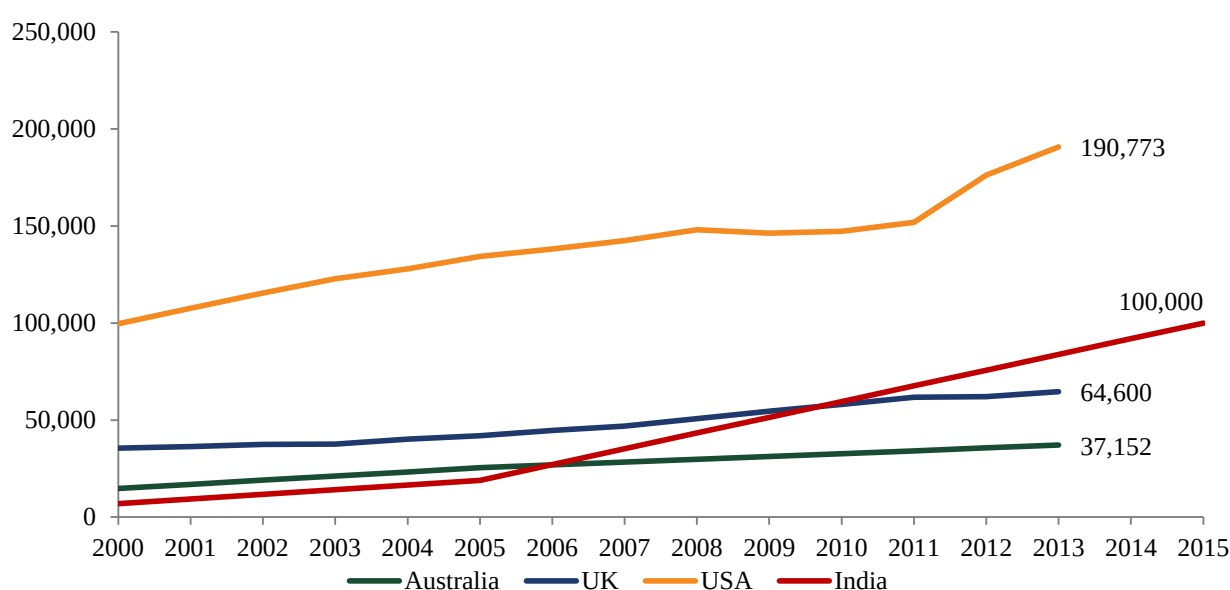
As of 2015, less than 1% of the 27.5 million couples suffering from infertility in India presented for fertility assessment. Based on the current trends of infertility, coupled with the growing awareness about infertility and

increasing levels of income in cities such as Bengaluru, Delhi and Mumbai, it is estimated that the potential demand for IVF cycles in these cities is estimated to be nine to twelve times higher than the current actual demand. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 4, published by Ernst & Young)¹

The number of IVF cycles performed in India has grown at a compound annual growth rate of 18.1% over the last 10 years. This growth in fertility treatment in India mirrors similar trends witnessed in most developed countries as infertility prevalence has increased. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 30, published by Ernst & Young)¹

The number of couples presenting for infertility treatment and evaluation in India is expected to increase from 270,000 in 2015 to around 650,000 to 700,000 annually in 2020. The number of IVF cycles performed in India is forecast to increase from 100,000 in 2015 to an estimated 260,000 in 2020. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 42, published by Ernst & Young)¹

Number of IVF Cycles in the United States, the United Kingdom, Australia and India (2000-2015)



(Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 52, published by Ernst & Young)¹

Fertility Specialists in India

The fertility treatment market in India is unregulated and highly fragmented. There is no requirement for certification of embryology laboratories, or of audit of clinical results as is common in most Western countries. Owing to the rapidly growing demand for infertility treatment in India there has been an increase in the number of fertility centres in the last 10 years. An estimated 75% of the IVF cycles in India are done by about 500 clinics, comprising a few corporate chains and private clinics of leading physicians. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 25, published by Ernst & Young)¹

A primary challenge facing the infertility treatment market in India is the lack of skilled and capable specialists in reproductive medicine and in embryology. Many of these practitioners do not have a post graduate qualification in reproductive medicine. As of 2015, there are only an estimated 700 to 800 embryologists in India. Only an estimated 380 are registered with the Academy of Clinical Embryologists in India of whom, an estimated 15 to 20 embryologists graduate each year from Indian universities annually, and an additional 10 to 15 graduate from universities outside India and return to India to practice. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page number 36, published by Ernst & Young)¹

Given that there are a small number of experienced and highly skilled fertility specialists, there is a tremendous demand for such specialists. Further, nearly 55% of all IVF procedures are still performed in just eight metropolitan cities. Few specialists also travel to multiple locations and perform IVF procedures in pre-

scheduled batches, but this presents many logistical and practical limitations. Training for IVF specialists will be critical to meet the projected demand for IVF in India. It is expected that with rising income levels, between 40% and 50% of the population will be able to afford IVF treatment by 2020. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page numbers 4 and 60, published by Ernst & Young)¹

Regulatory Landscape

The Assisted Reproductive Technologies (Regulation) Bill 2013 ("**ART Bill**") is currently awaiting legislative approval in India. The fertility treatment market in India is currently unregulated. There is no requirement to obtain any permission or have any specific qualifications to open infertility or assisted reproductive technology clinics in India. As a result, in the last 20 years, there has been an increase in the number of fertility clinics that use techniques requiring handling of spermatozoa or oocyte outside the body or the use of a surrogate mother. Assisted reproduction technologies not only require expertise but also open up many avenues for unethical practices, which can adversely affect the recipient of the treatment, medically, socially and legally. The ART Bill is intended to provide for a national framework for the accreditations, regulation and supervision of assisted reproductive technology clinics, for prevention of misuse of assisted reproductive technology, for safe and ethical practice of assisted reproductive technology services. In seeking to achieve these aims, the ART Bill will require practitioners to disclose their rates of successful and unsuccessful IVF treatments and will subject practitioners to carry out audits of their results, whilst it will also impose greater qualification requirements and disclosure of such qualifications on practitioners. (Source: *Call for Action: Expanding IVF treatment India* dated July 2015, page numbers 39 and 59, published by Ernst & Young)¹

OUR BUSINESS

Overview

We are a provider of speciality healthcare in India focused on cancer and fertility. Under the “HCG” brand, we operate the largest cancer care network in India in terms of the total number of cancer treatment centres licensed by the AERB as of March 31, 2015. (Source: Government of India, Atomic Energy Regulatory Board) Under the “Milann” brand, we operate our fertility centres.

As of June 30, 2015, our HCG network consisted of 15 comprehensive cancer centres, including our centre of excellence in Bengaluru, four freestanding diagnostic centres and one day care chemotherapy centre across India. Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). Our freestanding diagnostic centres and our day care chemotherapy centre offer diagnosis and medical oncology services, respectively. For further details, see “Our Business– Our Operational Structure” on page 156.

Our HCG network operates on a “hub and spoke” model, wherein our HCG centre of excellence in Bengaluru serves as a “hub” to our other cancer centres. Our centre of excellence provides our other centres access to centralised quality control and assurance services; establishes treatment protocols that are adhered to across our HCG network; provides centralised treatment planning and tele-radiology services to help with diagnosis and treatment; conducts weekly central tumour board meetings to review complex cases; and also gives our HCG network access to advanced technologies, such as WBRRS and specialised procedures such as liver transplants and stem cell therapies. We believe this model allows our HCG network of cancer centres to leverage the expertise and capabilities of our centre of excellence, which when combined with the diagnostic and treatment facilities at our cancer centres, allows us to deliver quality cancer care to patients across India in a seamless manner.

We follow a multidisciplinary approach to cancer care across our HCG network, wherein specialist physicians from various disciplines collaborate to provide the best course of treatment for each patient. This allows us to share and develop best practices, build clinical expertise and adopt standardised protocols for diagnosis and treatment, thereby improving the quality of our cancer care services. We believe that as a result, we are able to better serve our patients and ensure consistent clinical outcomes.

In our HCG network, our specialist physicians adopt a technology-focused approach to diagnosis and treatment. For instance, we use advanced technologies, including molecular pathology and molecular imaging for accurate diagnosis and staging of cancer, which enable us to decide upon the appropriate course of treatment for each patient. We also utilise targeted nuclear medicine therapies as well as advanced radiation treatments to minimise side effects and improve the outcome of treatments. By ensuring that we adopt these diagnostic and treatment technologies throughout our HCG network, we are able to provide consistent quality of care to all patients.

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale. Furthermore, through the adoption of a centralised drug and consumables formulary, we are able to lower the overall cost of drugs and consumables. We believe that our business model is scalable and when combined with efficient utilisation of resources, it enables us to operate within a competitive cost structure.

We began the expansion of our HCG network in 2006, and have since added 12 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre across India as of June 30, 2015. As of June 30, 2015, we also had 12 HCG comprehensive cancer centres under various stages of development in India.

The following table sets out the number of our comprehensive cancer centres and the key operational data of our HCG network during Fiscal Years 2015, 2014 and 2013:

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
Comprehensive cancer centres in operation	15	15	14
New patient registrations	37,458	34,344	28,546
Patients treated with radiation therapy	12,647	11,181	10,225
PET-CT procedures	23,988	21,040	17,750
Chemotherapy administrations	48,360	43,988	40,052

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
Surgeries	8,707	8,454	7,333

We believe that our current model of providing speciality healthcare in India can be replicated in other underserved healthcare markets. We intend to establish a network of speciality cancer centres in Africa, similar to our cancer care network in India. We believe that our planned network will cater to the increasing unmet demand for cancer care in Africa due to which, a large number of cancer patients travel outside the region to avail quality cancer care, including to our comprehensive cancer centres in India. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa.

We also provide fertility treatment under our Milann brand. We acquired 50.10% equity interest in BACC Healthcare in 2013 which operates fertility centres under the Milann brand, through itself and its wholly-owned subsidiary, DKR Healthcare. Pursuant to this acquisition, we now operate four Milann fertility centres in Bengaluru.

BACC Healthcare is led by a team of qualified and experienced fertility specialists. Its founder, Dr. Kamini Rao has a successful track record of over 25 years of providing fertility treatments. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation; and follow a multidisciplinary and technology-focused approach to diagnosis and treatment. Our Milann network also operates on a model similar to our HCG network, wherein the various Milann fertility centres aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment. During Fiscal Years 2015 and 2014, our Milann fertility centres registered 8,027 and 7,617 new patients and performed 1,111 and 932 IVF procedures, respectively. Our Milann fertility centres also offer training programmes for fertility specialists and embryologists. For further details, see “*Our Business– Training*” on page 166.

Under our Triesta brand, we provide clinical reference laboratory services in India with a specialisation in oncology, including molecular diagnostic services and genomic testing. Our Triesta central reference laboratory is located in our centre of excellence in Bengaluru. Our Triesta central reference laboratory is accredited by NABL in India, as well as by CAP for quality assurance of laboratory tests performed. Additionally, Triesta offers research and development services to pharmaceutical and biotechnology companies in the areas of clinical trial management and biomarker discovery and validation. Triesta is led by a team of specialist oncopathologists, molecular biologists and clinical researchers. We believe that Triesta is well-positioned to leverage the wide variety of patient cases across our HCG network to develop its capabilities and business.

On a consolidated basis, our revenue from operations for Fiscal Years 2015, 2014 and 2013 was ₹5,193.75 million, ₹4,513.34 million and ₹3,383.05 million, respectively. We earned a net profit amounting to ₹5.46 million and incurred net losses amounting to ₹355.53 million and ₹105.14 million, respectively for Fiscal Years 2015, 2014 and 2013. On a consolidated basis, our EBITDA before exceptional items for Fiscal Years 2015, 2014 and 2013 was ₹810.55 million, ₹422.16 million and ₹486.07 million, respectively.

Our Strengths

Largest provider of cancer care in India with a proven track record

Our HCG network is the largest provider of cancer care in India in terms of the total number of cancer treatment centres licensed by the AERB as of March 31, 2015. (Source: *Government of India, Atomic Energy Regulatory Board*) As of June 30, 2015, we operated 20 HCG cancer centres, including 15 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre in India. During Fiscal Year 2015, we registered 37,458 new cancer patients across our HCG network and delivered radiation therapy to 12,647 patients. We also performed 23,988 PET-CT procedures, 48,360 chemotherapy administrations and 8,707 surgeries across our HCG network during Fiscal Year 2015.

We began the expansion of our HCG network in 2006, and have since added 12 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre. Our HCG network is spread across 14 cities and towns in eight states in India. Through our extensive network of HCG cancer centres, we are able to extend the provision of cancer care beyond the metropolitan cities to patients across India. We believe that HCG has a strong reputation within the medical community in India, due to the advanced technologies used, successful clinical outcomes and the extensive clinical experience of our specialist physicians. We believe that

HCG's market leading position, successful track record and strong reputation in India provides us with a significant advantage over our competitors.

High quality cancer care provided at a competitive price

Across our HCG network, our specialist physicians adopt an integrated multidisciplinary and technology-focused approach to provide comprehensive cancer care to our patients. Our approach relies on close collaboration and sharing of information among specialist physicians from various disciplines, including medical, radiation and surgical oncologists, nuclear medicine physicians, pathologists and radiologists. We believe that this collaborative approach enables us to offer a high standard of care to our patients.

Technological innovations in cancer diagnosis and treatment are continuous and are based on ongoing research initiatives of global medical technology vendors and pharmaceutical and biotechnology companies. We believe that owing to the relationships we enjoy with such medical technology vendors and pharmaceutical and biotechnology companies and our involvement with them in the areas of research and development, we have been able to introduce in India and adopt across our HCG network the latest advances in technology relatively early. For instance, we were among the first healthcare providers in India to standardise molecular diagnostics technologies, including genomic testing and molecular imaging, including 128 slice PET-CT scans in the diagnosis and staging of cancer, as well as to introduce high intensity flattening filter free mode radiotherapy, stereotactic radiosurgery and robotic radiosurgery, in the treatment of cancer in India. We were also the first healthcare provider in India to perform computer assisted tumour navigation surgery. We believe this gives us a distinct advantage relative to our competitors in delivering high quality and standardised cancer care to our patients.

We believe that our standardised clinical protocols for diagnosis and treatment of cancer patients have allowed us to manage the large volume of patient cases across our HCG network with successful clinical outcomes. The five year survival rate for breast cancer patients at our HCG network is comparable to U.S. benchmarks. (Source: *Delivering World-Class Health Care, Affordably*, published on *Harvard Business Review* by Vijay Govindarajan and Ravi Ramamurti, dated November 2013) In addition, we believe our successful track record in identifying the right partners, evaluating target markets for our cancer centres and managing the project execution to set up and operate a cancer centre, has allowed us to expand our HCG network, reduce the time taken to stabilise new cancer centres and contribute to the growth of new patient registrations. All of these factors help create efficiency, manage costs for us and our patients and put us at an advantage over our competitors.

We seek to maximise the utilisation of the equipment and technologies used across our HCG network through optimal scheduling of patients undergoing treatment, in particular, radiation therapy. We have also implemented a centralised drug and medical consumables formulary, allowing us to maximise the utilisation of generic drugs and to lower the overall cost of drugs and medical consumables. Further, we believe that the scale of our operations and the relationships we enjoy with vendors of specialised medical equipment lend us a competitive advantage in terms of favourable economic terms of purchase and financing of medical equipment.

Entry into high potential fertility business

Fertility treatment is an emerging segment of the Indian healthcare industry, which is currently relatively underdeveloped and fragmented. There are an estimated 27.5 million couples suffering from infertility in India, which could increase to between 29 million and 32 million by 2020 due to demographic, lifestyle and the presence of various clinical risk factors among the Indian population. Of the estimated 27.5 million infertile couples in India, fewer than 0.3 million currently seek fertility treatment, owing to a lack of awareness of and access to fertility treatment, as well as a high cost of treatment. Nonetheless, the number of IVF cycles performed in India has increased from 7,000 in 2001 to 100,000 in 2015. The number of IVF cycles performed in India is forecast to increase to 260,000 by 2020, representing a CAGR of 21%. (Source: *Call for Action: Expanding IVF Treatment in India* dated July 2015, page number 24, published by Ernst & Young) Through our acquisition of a 50.10% equity interest in BACC Healthcare, we now operate four Milann fertility centres in Bengaluru.

We believe that there is significant potential for growth in the fertility segment of the Indian healthcare industry. Further, the fragmentation of the market presents us with an opportunity to leverage the expertise of building our HCG brand into a nationally recognised speciality healthcare brand and to build and establish our Milann brand across India. We believe our experience in building our HCG network through partnerships with specialist physicians and hospitals and standardising clinical protocols and quality standards across our HCG network is a

key strength that will allow us to similarly expand our Milann network. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation. During Fiscal Year 2015, our Milann fertility centres registered 8,027 new patients and performed 1,111 IVF procedures, respectively. We believe that the clinical track record of our Milann fertility specialists and our ability to roll out a nation-wide network and adhere to quality standards for patient care are key factors that give us a competitive advantage in meeting the growing demand for fertility treatment in India.

Strong management team with successful track record

Our senior management team has extensive experience in the management of healthcare businesses. We believe the experience, depth and diversity of our management team, complemented by the clinical expertise and relationship base of our physician Promoters, is a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate.

Several key members of our management team, including our Chairman and Chief Executive Officer, our executive director of operations, our director of healthcare services, our chief operating officer for our HCG cancer centres in Gujarat, our vice president of medical services and our company secretary have all been with us for over five years. Additionally, Dr. Kamini Rao, who is the founder and medical director of our Milann fertility centres, is a pioneer in the field of fertility treatment, with over 25 years of experience in the field. She currently leads the operation of our Milann fertility centres. We believe that our management team has been successful in establishing partnership arrangements to build our cancer care network, consummating and integrating acquisitions, including the BACC Healthcare acquisition, and in identifying, recruiting and retaining specialist physicians in an effective manner. Commencing with the establishment and operation of the first comprehensive cancer centre in our HCG network in Bengaluru and the subsequent expansion of our HCG network into India's largest comprehensive cancer care network, our management team has gained significant and unique experience in establishing and operating a national network of speciality healthcare.

Highly skilled specialist physicians

As of March 31, 2015, we had a team of 443 specialist physicians including 225 oncologists, 21 radiologists, 23 pathologists and 174 other specialist physicians in our HCG network. As of March 31, 2015, we also had 29 fertility specialists, 20 of whom were pursuing their post-graduate fellowships at our Milann fertility centres, and 30 other specialist physicians in our Milann network. See also, “*Our Business—Specialist Physicians*” on page 168. We believe that we are able to attract and retain highly skilled specialist physicians due to our reputation for clinical excellence, our technology-focused approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for their ongoing development. We believe that the abilities and expertise of our team of specialist physicians differentiate us relative to our competitors. Several of our specialist physicians have received accolades and awards in recognition of their contribution to their respective fields of medicine, including Dr. Kamini Rao, who is a fertility specialist and the medical director of our Milann fertility centres and Dr. K.S. Gopinath, who is a surgical oncologist and one of our Promoters, who have both received the *Padma Shri* award.

Our business model and partnership arrangements

Our HCG network operates on a “hub and spoke” model, wherein our HCG centre of excellence in Bengaluru serves as a “hub” to our other cancer centres. Our centre of excellence provides our other centres access to centralised quality control and assurance services; establishes treatment protocols that are adhered to across our HCG network; provides centralised treatment planning and tele-radiology services to help with diagnosis and treatment; conducts weekly central tumour board meetings to review complex cases; and also gives our HCG network access to advanced technologies, such as WBRRS and specialised procedures such as liver transplants and stem cell therapies. We believe this model allows our HCG network of cancer centres to effectively leverage the expertise and capabilities of our centre of excellence.

We enter into various types of partnership arrangements, mostly with other specialist physicians and other hospitals, to expand our network. These arrangements include setting up joint venture companies or limited liability partnerships with our partners, wherein our partners have minority ownership interest, to establish new centres; and revenue or profit sharing arrangements, wherein we share a portion of the revenue or profit from the centres with, and/ or pay a fixed fee to the partners. We assess our partners based on a number of factors, including their expertise and reputation in the market, their existing patient base, their ethical and value system, their access to land or buildings to establish cancer centres and their financial and technical capability. Our Promoters and senior management are actively involved in selecting the partners with whom we enter into such

arrangements, which ensures that we select the right partners. Our partnership arrangements allow us to leverage the position and reputation of our partners in the local communities. These arrangements contribute in reducing the time taken to establish and ramp up our centres as we are able to benefit from the established clinical practice and patient base of our partners. Additionally, these arrangements facilitate a stronger presence in each market we serve. Several of our partners are surgical oncologists or hospitals in the markets in which we operate. Our partners also benefit from our experience and expertise in cancer care, the strength of our HCG brand, our technological capabilities and our network across India. Our existing partners also enhance our brand image and contribute to the expansion of our network by making recommendations to other specialist physicians to join our network.

We actively support our partnerships and we believe that our reputation and track record in implementing the partnership model is a differentiator in the Indian healthcare industry. The first cancer centre in our HCG network was set up in 1989 pursuant to a partnership arrangement and we have since set up 13 additional comprehensive cancer centres through partnership arrangements. As of June 30, 2015, three of our comprehensive cancer centres set up through partnership arrangements were merged with our Company and 11 of these partnership arrangements remained unchanged. For further details on our partnership arrangements, see, “*Our Business– Our Partnership Arrangements*” on page 155. We believe that our ability to successfully execute partnership arrangements has been a key factor in our growth.

Our Strategies

Expand the reach of our cancer care network in India

We plan to expand our HCG network in India by establishing new cancer centres across India and by expanding the capacity and service offering of our existing HCG cancer centres. As of June 30, 2015, we were in the process of establishing 12 new comprehensive cancer centres in India, all of which are under various stages of development. See also, “*Our Business– Our HCG Network of Cancer Centres – HCG cancer centres under development in India*” on page 153. We expect these new comprehensive cancer centres to commence operation during the course of Fiscal Years 2016 and 2017. As of June 30, 2015, we were also expanding our existing HCG comprehensive cancer centres at Hubli, Cuttack and Ahmedabad. We plan to expand these centres by adding either new cancer care services or new equipment to cater to increasing demand. See also, “*Objects of the Offer*” on page 110. We carry out a competitive assessment of the markets in which we plan to expand our HCG network based on a number of factors, including the estimated incidence of cancer in the primary and secondary catchment population, the number of comprehensive cancer centres, if any, in the catchment; the average distance patients have to travel to avail of such comprehensive cancer care; affordability of healthcare generally and cancer care in particular; and the available third party payer options, whether corporate, government or private insurance. In the future, we will continue to expand our network through green field projects, partnership arrangements and acquisitions. We believe that our past experiences will aid us in identifying potential opportunities in the future and assist us in integrating new cancer centres into our existing HCG network.

Strengthen our HCG brand to reach more cancer patients

We believe that our HCG brand distinguishes us from our competitors. As we establish new comprehensive cancer centres across India, we plan to invest in building our brand, enhancing our market presence, brand image and visibility. We intend to strengthen our patient support groups comprising cancer survivors to further spread awareness of cancer screening and to educate patients regarding cancer treatment options and their relative outcomes and benefits. Through these initiatives, we seek to further strengthen our brand and our commitment to the community, cancer patients and their families.

We also intend to continue to grow our base of referring physicians through ongoing community outreach programmes and continuing medical education programmes targeting such physicians. We will also continue with our strategy of direct consumer marketing activities, including advertising in print, television, outdoor and digital media primarily through patient testimonials and socially relevant messages.

Expand our cancer care network to Africa

We believe that despite the growing incidence of cancer, there is a shortage of cancer centres in many countries in Africa. As a result, patients suffering from cancer often travel outside the region at a significant cost for availing quality cancer care, including to our comprehensive cancer centres in India. In the past, we have experienced an increase in the number of patients travelling from Africa and other regions to our centre of

excellence in Bengaluru, as well as to our other comprehensive cancer centres in India for cancer treatment. For Fiscal Years 2015, 2014 and 2013, we derived 15.64%, 12.62% and 7.91%, respectively of our total revenue at our centre of excellence from such international patients. We believe that this growing demand presents us with an opportunity to establish a network of speciality cancer centres in Africa.

We are currently planning to establish a network of specialty cancer centres in Africa through partnership arrangements and acquisitions. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa. In the first phase of the development, we plan to establish comprehensive cancer centres in Kenya, Tanzania and Uganda. CDC is an active investor in the healthcare sector in Africa and pursuant to our partnership with CDC, we propose to set up additional cancer centres in other parts of Africa on a selective basis. We believe that we are well-positioned for growth in Africa due to the significant unmet demand for cancer care, our expertise in cancer diagnosis and treatment, our existing track record of establishing and operating cancer centres in India and our partnership with a leading development finance institution such as CDC.

Upgrade and strengthen our information technology infrastructure

We are in the process of significantly upgrading our information technology infrastructure in order to enhance the quality of care delivered to patients and to further enhance our clinical best practices and research capabilities. Our planned information technology infrastructure will be based on a private cloud-computing system and will encompass a centralised EMR system seamlessly integrated with various other centralised systems including RIS/ PACS, biorepository, HIS and ERP system. For further details on our planned information technology infrastructure, see “*Objects of the Offer*” on page 110.

Adoption of a cloud-based centralised information technology infrastructure will enable us to transition from our current paper-based and de-centralised medical records system to a centrally managed and administered electronic medical records system. The centralised EMR system will seamlessly integrate patient data, including laboratory, radiology, medical, radiation and surgical oncology data. This will allow our physicians and researchers an integrated access to patient history. Adoption of the centralised HIS and ERP system will allow us to more efficiently manage all aspects of our operations, including optimal utilisation of our equipment and human resources, billing and receivables management, inventory management, central purchasing, formulary management and financial controls. We believe that the implementation of these information systems will maximise efficiencies through the greater integration of our network and help us fine tune protocols through knowledge sharing and collaboration. Further, we believe that these initiatives will enhance our ability to conduct longitudinal research studies (which are long-term observational research studies), and associate clinical outcomes with mutation and other genomic findings in cancer patient tissues maintained at our biorepository. We believe that this will position us as a partner of choice for cancer researchers and academia.

Expand our Milann network of fertility centres across India and build our Milann brand

The IVF market in India is under-penetrated relative to its potential demand. The potential demand for IVF cycles could be nine to 12 times higher than the current actual number of patients availing treatment in Delhi, Mumbai and Bengaluru. The number of infertile couples coming forward for fertility treatment in India is estimated to increase from the current 270,000 to around 650,000 to 700,000 by 2020. (Source: *Call for Action: Expanding IVF Treatment in India* dated July 2015, page numbers 4 and 42, published by Ernst & Young) In order to address the growing demand for fertility treatment in India, we plan to expand our Milann network by setting up green field centres and also by entering into partnership arrangements and undertaking selective acquisitions. As of June 30, 2015, we were in the process of establishing three fertility centres in India.

We believe that in expanding our Milann network, we are well-positioned to leverage HCG's successful track record of growing through partnerships with specialist physicians and hospitals, as well as our relationship base within the medical community.

We intend to invest in building our Milann brand through targeted media campaigns focusing on building patient awareness of fertility treatment primarily through patient testimonials and socially relevant messages. We also intend to undertake community outreach programmes, strengthen our patient support groups and undertake other awareness building activities among corporate entities. In addition, we intend to undertake various direct consumer marketing activities, including advertising in print, television, outdoor and digital media.

Our HCG Network of Cancer Centres

Existing HCG cancer centres in India

As of June 30, 2015, we operated a network of 15 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre across eight states in India. All of these centres are majority-owned by us.

The following table sets out our existing comprehensive cancer centres as of June 30, 2015 and their facilities and service offerings:

Location of the comprehensive cancer centre	Commencement of Operation (calendar year)	Facilities and Services				
		Number of Beds ⁴	Number of RT-LINACs	Number of Operation theatres ⁸	Number of PET-CT scanners	Laboratory
Bengaluru - Double Road	1989	88	1	4	-	√ ¹¹
Shimoga ¹	2003	60	1	3	-	√ ¹²
Bengaluru - Kalinga Rao Road ²	2006	234	3 ⁷	7	2	√
Bengaluru - MS Ramaiah Nagar	2007	22	1	1	1	√ ¹²
Nasik	2007	- ⁵	1	- ⁹	1	√ ¹²
Delhi	2007	70	1	3	1 ¹⁰	√ ¹²
Hubli	2008	50	1	1	1	√ ¹²
Ranchi	2008	54	1	2	-	√
Cuttack	2008	116	1	2	1	√
Vijaywada	2009	180	2	1	-	√
Mumbai ³	2012	4 ⁶	1	- ⁹	1	√
Chennai	2012	47	1	- ⁹	-	√ ¹²
Ongole	2012	80	1	2	-	√
Ahmedabad ¹	2012	74	1	4	-	√ ¹²
Tiruchirappalli	2014	35	1	-	-	√ ¹²

Notes:

1. Operated through our Subsidiary.
2. Our comprehensive cancer centre located at Kalinga Rao Road in Bengaluru is our centre of excellence.
3. There are ongoing arbitration proceedings with respect to this centre. For further details, see "Outstanding Litigation and Material Developments" on page 277.
4. Number of beds includes ICU beds (as applicable).
5. We utilise the beds, including the ICU beds of our partner.
6. We utilise the ICU beds of our partner.
7. Includes a WBRRS system.
8. Includes major and minor operation theatres. Major operation theatres are used to perform complex surgeries and minor operation theatres are used to perform minor surgical procedures.
9. Surgical services are provided by our partner.
10. PET-CT procedures are performed at the SMH DCA Imaging Centre, which is part of our comprehensive cancer centre in Delhi.
11. Laboratory services are provided by our Triesta central reference laboratory.
12. Laboratory services are provided by our partner.

As of June 30, 2015, we also had four freestanding diagnostic centres, of which two are located in Chennai and one each in Mangalore and Vijaywada, respectively. Our freestanding diagnostic centres are equipped with PET-CT scanners and provide radiology and diagnostic services. We established some of these centres under partnership arrangements. As of June 30, 2015, we also had a day care chemotherapy centre in Bengaluru. Our day care chemotherapy centre provides medical oncology services and carries out minor surgical procedures.

HCG cancer centres under development in India

New Centres

As of June 30, 2015, we were in the process of establishing 12 new comprehensive cancer centres in India, all of

which are under various stages of development. We expect all of these centres to commence operation during Fiscal Years 2016 and 2017. All of these centres are majority-owned by us.

The table below sets out details of our comprehensive cancer centres under development in India as of June 30, 2015 and their facilities and service offerings:

Location of the comprehensive cancer centre	Facilities and Services				
	Number of Beds	Number of RT- LINACs	Number of Operation Theatres ⁴	Number of PET-CT Scanners	Laboratory
Nagpur ¹	115	1	4	1	√
Mumbai - Borivali ¹	105	1	5	1	√
Kochi	100	1	3	1	√
Delhi	95	1	1	- ⁶	√ ⁷
Kanpur ²	90	1	3	1	√
Baroda ¹	60	1	4	1	√
Vishakhapatnam ²	88	1	- ⁵	1	√
Gulbarga	85	1	3	-	√
Jaipur	60	1	2	1	√
Kolkata ¹	50	1	2	- ⁶	√ ⁷
Bhavnagar ³	35	1	3	-	√
Mumbai - Cooperage	32	1	2	1	√

Notes:

1. Set up through limited liability partnership with our partner(s).
2. Set up by through our Subsidiary.
3. Our existing multi-speciality hospital at Bhavnagar will be upgraded into a comprehensive cancer centre through the addition of radiation and medical oncology capabilities.
4. Including major and minor operation theatres. Major operation theatres are used to perform complex surgeries and minor operation theatres are used to perform minor surgical procedures.
5. Surgical services will be provided by our partner.
6. PET-CT procedures will be performed by our partner.
7. Laboratory services will be provided by our partner.

Expansion of existing centres

As of June 30, 2015, we were also expanding three of our existing HCG comprehensive cancer centres to cater to the increasing demand for cancer care at these centres. These include:

- our comprehensive cancer centre at Hubli, where we are adding surgical facilities;
- our comprehensive cancer centre at Cuttack, where we are adding new equipment, including a linear accelerator, and increasing the number of beds; and
- our comprehensive cancer centre at Ahmedabad, where we are adding new equipment, including a linear accelerator, a PET-CT scanner, an MRI scanner and a gamma camera.

See also, “Objects of the Offer” on page 110.

The map below sets out our existing cancer centres and our cancer centres under development across India as of June 30, 2015:



Our partnership arrangements

Historically, we have expanded our HCG network through various partnership arrangements. The first cancer centre in our HCG network was set up in 1989 pursuant to a partnership arrangement and we have since set up 13 additional comprehensive cancer centres through partnership arrangements. As of June 30, 2015, three of our comprehensive cancer centres set up through partnership arrangements were merged with our Company and 11 of these partnership arrangements remained unchanged. Such partnership arrangements include:

- setting up joint venture companies or limited liability partnerships with our partners, in which our partners have minority ownership interest, to establish new centres; and
- revenue or profit sharing arrangements, pursuant to which we share a portion of our revenue or profit from the centres with, and/ or pay a fixed fee to our partners. We utilise the facilities owned by our partners and in some cases, we pay rental fees for these facilities. The equipment used for the delivery of cancer care at these centres is owned and operated by us.

We select our partners based on a number of factors, including their expertise and reputation in the market, their existing patient base, their ethical and value system, their access to land or buildings to establish cancer centres and their financial and technical capability. We also carry out a competitive assessment of the markets in which we plan to expand our HCG network based on a number of factors, including the estimated incidence of cancer in the primary and secondary catchment population; the number of comprehensive cancer centres, if any, in the catchment; the average distance patients have to travel to avail of such comprehensive cancer care; affordability of healthcare generally and cancer care in particular; and the available third party payer options, whether corporate, government or private insurance.

The following table sets out certain details of our comprehensive cancer centres and their current status:

Location of the comprehensive cancer centre	Partner(s)	Current status	Nature of Partner's/(s') business
Bengaluru - Kalinga Rao Road	Not applicable	Established and operated by our Company	Not applicable
Bengaluru - Double Road	A group of physicians	Established through a company in which our partners were shareholders and was subsequently merged with our Company in 2011	Group of surgical and radiation oncologists and other physicians
Bengaluru - MS Ramaiah Nagar	M.S. Ramaiah Hospital, through Gokula Education Foundation	Revenue share	Educational institute and multi-speciality hospital
Shimoga	Gutti Malnad Hospital LLP	Joint venture	Multi-speciality hospital
Nasik	Dr. Raj Nagarkar	Profit share	Surgical oncologist
Delhi	Shanti Mukund Hospital	Revenue share	Multi-speciality hospital
Hubli	NMR Medical Institute Pvt. Ltd.	Revenue share	Freestanding diagnostic centre
Ranchi	SAC Hospital Management & Consultancy Private Ltd.	Profit share	Healthcare consultant
Cuttack	Dr. K.S. Panda, through Panda Medicals Pvt. Ltd.	Fee for service and rent paid to our partner	Surgical oncologist
Vijayawada	Dr. M. Gopichand	Established under a joint venture arrangement with our partner and was subsequently merged with our Company in 2015	Surgical oncologist
Mumbai	Balabhai Nanavati Hospital	Revenue share	Multi-speciality hospital
Chennai	Sri Kavery Medical Care Ltd	Revenue share	Multi-speciality hospital
Ongole	Dr. M. Gopichand	Established under a joint venture arrangement with our partner and was subsequently merged with our Company in 2015	Surgical oncologist
Ahmedabad	Astha Oncology Private Ltd.	Joint venture	Group of surgical oncologists
Tiruchirapalli	Sri Kavery Medical Care Ltd	Revenue share	Multi-speciality hospital

Our cancer centres in Africa

We have entered into arrangements with hospitals in Kenya and Tanzania, pursuant to which we depute specialist physicians from India to provide cancer care services at these hospitals on a fee-for-service basis.

We also intend to establish a network of speciality cancer centres in Africa. In the first phase of development, we plan to establish comprehensive cancer centres in Kenya, Tanzania and Uganda. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa.

Our operational structure

As of June 30, 2015, our HCG network consisted of 15 comprehensive cancer centres, including our centre of excellence in Bengaluru, four freestanding diagnostic centres and one day care chemotherapy centre across India.

Each of our comprehensive cancer centres offers, at a single location, diagnostic services including pathology and radiology and treatment services including radiation, medical and surgical oncology. In all our comprehensive cancer centres, we provide all of these services directly or leverage the physical infrastructure,

such as laboratories and operation theatres of our partners to provide comprehensive cancer care at a single location.

All of our freestanding diagnostic centres are equipped with PET-CT scanners and provide radiology and diagnostic services. Our day care chemotherapy centre provides medical oncology services and carries out minor surgical procedures. If more complex diagnosis, treatment or specialised services are required, patients are referred to our comprehensive cancer centres.

Our HCG network operates on a “hub and spoke” model, wherein our HCG centre of excellence in Bengaluru serves as a “hub” to our other cancer centres. Our centre of excellence is the largest comprehensive cancer centre in our HCG network and provides our other centres access to centralised quality control and assurance services; and establishes treatment protocols that are adhered to across our HCG network. It also assists our other cancer centres in diagnosis and treatment by providing centralised treatment planning services for radiation therapy and tele-radiology services such as consultation services in diagnosis and reporting of radiology images. In addition, it conducts weekly central tumour board meetings during which, specialist physicians from across our HCG network review complex cases and share research findings, which in turn allow us to develop and implement best practices and standardised protocols. Our centre of excellence also gives our HCG network access to advanced technologies, such as WBRRS and specialised procedures such as liver transplants and stem cell therapies. We believe that this model allows our HCG network of cancer centres to leverage the expertise and capabilities of our centre of excellence, which when combined with the diagnostic and treatment facilities at our cancer centres, allows us to deliver quality cancer care to patients in a seamless manner.

Our centre of excellence in Bengaluru

Our centre of excellence located at Kalinga Rao Road in Bengaluru was established in 2006. Facilities at our centre of excellence include three linear accelerators, including a WBRRS system, two PET-CT scanners, a cyclotron that manufactures radioisotopes (which are used in performing PET-CT scans), seven operation theatres and 234 beds, including 24 ICU beds. Our centre of excellence also has bone marrow transplant facilities. It also offers specialised procedures such as liver transplants and stem cell therapies.

During Fiscal Years 2015, 2014 and 2013, we derived 31.91%, 34.26% and 39.42%, respectively of our total revenue from our centre of excellence.

As at March 31, 2015, we had 63 oncologists and 57 other specialist physicians providing cancer care at our centre of excellence.

Our Service Offerings

Set out below is a summary of the services offered across our HCG network. We use a combination of these diagnostic and treatment services to provide cancer care to our patients.

Diagnostic services

Accuracy in diagnosis and staging of cancer is vital in the treatment of cancer. We utilise advanced diagnostic technologies, which when combined with our clinical expertise enables us to deliver quality cancer care. Cancer diagnosis broadly falls under two categories: (i) pathology, which includes molecular pathology tests and (ii) radiology, which includes nuclear medicine tests.

Pathology

All of our HCG comprehensive cancer centres are equipped with basic clinical laboratory facilities (in some cases, through our partners). Critical oncology specific tests, including molecular pathology tests, are sent to our Triesta central reference laboratory, which is located in our centre of excellence in Bengaluru.

Triesta provides clinical reference laboratory services in India with a specialisation in oncology. It is accredited by NABL in India, as well as by CAP in relation to its quality assurance standards in performing laboratory tests. It offers a wide range of pathological investigations including haematology, biochemistry, microbiology, histopathology, cytology as well as specialised high-end molecular pathology investigations, including genomic and cytogenetic tests.

Haematology

Haematology tests include complete blood count, bone marrow examination and flow cytometry tests, which are performed to diagnose blood cancers, monitor bone marrow transplant procedures and assess fitness of the patient undergoing chemotherapy, surgery or radiation therapy.

Biochemistry

Biochemistry tests measure the constituents of plasma or serum of blood. These tests are used to diagnose certain types of cancers, including colon and ovary cancers, as well as to ensure fitness of the patient to receive chemotherapy, surgery or radiation therapy.

Microbiology and Serology

Microbiology and serology tests detect the presence of infective micro-organisms in the patient. Once identified, specific anti-microbial therapy is instituted in the patient. Microbiology and serology tests do not directly diagnose cancer, but are crucial since cancer patients are very susceptible to infections which need to be dealt with promptly.

Histopathology

Histopathology entails the detailed analysis of a small sample of tissues taken from the patient and also specimens from surgeries that patients undergo. This analysis enables pathologists to determine the type and stage of cancer and forms the basis of our cancer treatment.

Cytology

Cytology tests are performed by extracting fluids from the cavities in the body and the fluids are tested to diagnose cancer. Some of the body cavity fluids tested in this way include urine, sputum, spinal fluid (from the cavity surrounding the brain and the spinal cord), pleural fluid (from the cavity around the lungs) and pericardial fluid (from the cavity around the heart).

Molecular pathology

Molecular pathology focuses on understanding the molecular alterations important in the development and progression of cancer and in determining how the disease responds to treatment. Molecular pathology tests, including genomic tests, aid our physicians in providing targeted therapies, which can be customised to the patient's specific disease profile. At our Triesta central reference laboratory, we use real-time polymerase chain reaction (“**PCR**”) based testing to detect mutations in certain genes that have specific relevance to cancer. PCR based genomic testing is relevant in diagnosing and treating various types of leukaemia, lymphoma and solid tissue cancers in cases where only a small number of cancer cells are present. PCR testing can also be used post treatment to detect recurrence of cancer. We also undertake next generation sequencing-based tests to identify and evaluate mutations in various genes associated with specific cancer types, including several rare cancer mutations, based on which our specialist physicians can decide on an appropriate course of treatment.

Cytogenetic tests

Cytogenetic tests are performed to analyse chromosomal changes in a patient's chromosome. Our Triesta central reference laboratory carries out cytogenetic tests such as karyotyping and fluorescent in situ hybridisation that help diagnose cancer. Karyotyping tests are used to screen for chromosomal abnormalities, such as additional chromosomes or missing chromosomes in a patient. Fluorescent in situ hybridization tests are used to identify chromosomal abnormalities and other genetic changes in cells using special DNA probes labelled with fluorescent dyes.

Radiology

Imaging plays a vital role in accurately diagnosing and staging cancer as it provides detailed insight into the exact location and extent of the disease. Principal imaging technologies used at our HCG cancer centres include PET-CT, CT, MRI and mammography.

PET-CT

PET-CT scans aid in staging, response evaluation and treatment planning for cancer. PET-CT scans combine the images from a PET scan and a CT scan which are performed at the same time using the same machine. The combined PET-CT scans provide images that accurately determine the anatomic location of malignancy, including its spread through the body. To perform PET-CT scans, a radioactive material, fludeoxyglucose (“**FDG**”), is injected into the patient's vein. FDG is absorbed mainly by organs and tissues that use the most energy. Because cancer cells tend to use more energy than healthy cells, they absorb more of FDG. A PET scanner then detects the FDG in the body to produce two dimensional or three dimensional images of the organs and the tissues.

CT

A CT scanner takes three dimensional images of the organs of the body and provides a detailed, cross sectional view and highlights abnormalities or tumours. Sometimes a contrast medium is injected into a patient's vein in order to produce a more detailed image, which aids in detecting and staging cancer. CT scans are also used to undertake certain types of biopsies and to evaluate the effectiveness of cancer treatment. In addition, CT scans are used for radiation therapy planning. Organs which are commonly scanned through CT scanners include the head, neck, chest, abdomen, pelvis and limbs.

MRI

MRI scanners produce detailed, computer generated images of organs and tissues in the body, including the brain and the spinal column. MRI scans can be used to locate tumours and in certain cases, to determine if the tumour is benign or malignant. MRI scans can also help in staging cancer, which aids in planning the best course of treatment for better clinical outcomes.

Mammography

Mammography is a type of x-ray that identifies breast cancer in women. The images produced by mammography, called mammograms, show small tumours that cannot be felt. Mammography also detects breast lumps or any other irregularities in the breast. Digital mammogram is an advanced form of mammogram. The digital mammogram produces an accurate low-dose x-ray image of the breast. The time taken for producing a mammogram is minimal.

Medical Oncology

Medical oncology is a critical component of cancer treatment and primarily entails treatment of cancer with drugs. Our medical oncologists treat patients affected by a wide range of cancers such as malignancies of the lung, colon, rectum, breast and prostate, as well as malignancies of the blood, such as leukaemia and lymphoma. Our medical oncology services include chemotherapy, targeted therapy and haematology services including bone marrow transplant.

Chemotherapy

Chemotherapy is the delivery of anti-cancer and cytotoxic drugs (which are drugs that prevent the replication and growth of cells, including cancer cells) throughout the body. Chemotherapy is usually delivered intravenously but a small number of chemotherapy drugs are also administered orally and intra-arterially. Chemotherapy drugs are usually given in combinations of multiple drugs, referred to as treatment regimens. Our medical oncologists decide on an appropriate treatment regimen based on an assessment of the stage and the type of cancer. Chemotherapy is usually delivered in cycles. The interval between different cycles will vary between different regimens and can range from one to four weeks. The interval between cycles allows the body to recover from the effects of chemotherapy. The duration of treatment depends on the type and stage of the cancer and the treatment regimen.

Targeted therapy

Targeted therapy is designed to treat cancer by interrupting specific molecular abnormalities that drive cancer growth. Targeted therapy uses drugs that block the growth and spread of cancer by interfering with cancer cell growth and division in different ways and at various points during the development, growth and spread of cancer. By focusing on molecular and cellular changes that are specific to cancer, targeted therapy provides effective treatment for cancer while sparing healthy tissues. Targeted therapy is a form of precision medicine,

where the treatment is decided based on the genomic profile of a patient and their cancer cells.

Haematology services

Under haematology services, we provide a full range of diagnostic and treatment services for patients with malignant and non-malignant blood disorders. Some of the diseases and conditions treated using haematology are leukaemia and other cancers requiring bone marrow transplant. A bone marrow transplant is carried out when the doses of chemotherapy or radiation needed to cure a cancer are so high that a person's bone marrow stem cells will be permanently damaged or destroyed by the treatment. By performing a bone marrow transplant, diseased and non-functioning bone marrow is replaced with healthy and functioning bone marrow.

Radiation Therapy

Radiation therapy uses high-energy radiation to kill cancer cells. The radiation used for cancer treatment may come from a source outside the body, which is known as external beam radiotherapy; or it may come from radioactive material placed in the body near the tumour, which is known as brachytherapy; or it may be injected into the bloodstream. A patient may receive radiation therapy before, during or after surgery, depending on the type of clinical protocol being used. The type of radiation therapy may vary based on the size, type and location of the tumour.

External beam radiotherapy

External beam radiotherapy directs the radiation at the tumour from outside the body. External beam radiation therapy is delivered by linear accelerators, which deliver a high-energy dose of radiation to the area in the patient's body where the tumour is located. Linear accelerator based radiation treatment plans include WBRRS, stereotactic radiosurgery and radiotherapy ("**SRS and SRT**"), image guided radiation therapy ("**IGRT**"), intensity-modulated radiation therapy ("**IMRT**") and 3D-conformal radiation therapy ("**3D-CRT**").

WBRRS

WBRRS is a robotic radiosurgery system that offers a non-invasive procedure for the treatment of malignant tumours anywhere in the body, including the prostate, lungs, brain, spine, liver, pancreas and kidney as well as paediatric cancers. It provides an alternative for patients who have inoperable or surgically complex tumours or who may be looking for an alternative to surgery.

SRS and SRT

SRS and SRT are primarily used to treat a variety of brain tumours which can be malignant or benign. The use of stereotactic methods allows delivery of a precisely targeted lower dose of radiation to brain tissue. This reduces the risk of side effects from radiation therapy. Stereotactic radiotherapy can be delivered in a single session or as a series of daily treatments. Stereotactic radiotherapy can also be used to treat early lung cancer and liver metastases.

IGRT

IGRT is a type of conformal radiation therapy. Conformal radiation therapy can shape the radiation therapy beams around the area of the tumour. IGRT uses x-rays and scans similar to CT scans before and after radiotherapy treatment to determine the size, shape and position of the tumour.

IMRT

IMRT is also a type of conformal radiation therapy wherein the three-dimensional location of the tumour is precisely mapped and photon beams are directed at the tumour from several directions. The intensity of the beams can be adjusted; the stronger beams can be focused at larger tumour areas and the weaker beams can be directed to areas closer to healthy tissues.

3D-CRT

3D-CRT utilises three-dimensional CT scans to precisely locate the tumour. The radiation beams can be altered to match the shape of the tumour and are then delivered to the tumour from several directions.

The precise delivery of radiation using IGRT, IMRT and 3D-CRT ensures that there is minimal damage to the

healthy tissues around the tumour and as a result, the associated side effects of radiation therapy are substantially reduced.

Internal beam radiation therapy

Internal beam radiation therapy, also known as brachytherapy, involves placing radioactive material either into the cancer itself or into the tissues surrounding it, either through a catheter, which is a small stretchable tube, or in some cases, through a larger device called an applicator. The radioactive material may be placed for a few minutes, for several days or for the rest of the life of the patient, depending on the type of the radioactive material, type of cancer, location of the tumour, health of the patient and other parallel treatments being taken by the patient. Types of cancer treated through brachytherapy include prostate cancer, breast cancer, lung cancer, oesophageal cancer, anal and rectal cancers, head and neck cancers and sarcomas.

Centralised treatment planning system

Our central radiation physics department at our centre of excellence offers centralised treatment planning and quality assurance services to our other cancer centres to maintain uniform quality standards of radiation therapy across our HCG network. Our central physics department comprises a panel of medical physicists who assist in radiation treatment planning for our cancer patients.

We use a computerised treatment planning system for carrying out radiation therapies. Our treatment planning system is based on dose calculation algorithms. Our central radiation physics department offers treatment planning for 3D-CRT, IMRT and stereotactic body radiotherapy, among others. Our treatment planning system enables us to generate beam shapes and manage radiation dose distributions in providing internal and external radiation therapy. This maximises effective control of the tumour growth and minimises damage to the surrounding healthy tissues.

Radiation oncologists at our cancer centres who avail of the services of our central radiation physics department upload CT scans of the patient and other relevant details of the proposed treatment plan on to the centralised treatment planning system, which data is then accessed by our central radiation physics department at our centre of excellence. The central radiation physics department works with the transferred data and oversees the generation and approval of the treatment plan based on such patient data. The approved treatment plan is then transferred to the linear accelerators and other radiation therapy equipment for carrying out the treatment.

Surgical Oncology

Surgical oncology primarily entails the surgical removal of solid tumours. The more common types of surgeries performed by us are diagnostic, staging, preventive, definitive, debulking, palliative and restorative or reconstructive surgery. We have an experienced and qualified team of surgical oncologists and attending specialist physicians for all of our surgical specialities, including thoracic surgery, urology, neurosurgery, orthopaedics surgery, plastic reconstruction, gastrointestinal surgery, head and neck surgery and oral and maxillofacial surgery.

Diagnostic surgery

Diagnostic surgery is performed to diagnose cancer. In most cases, the only way to know if a person has cancer and what kind of cancer it is, is by taking out a piece of tissue from the tumour and testing it. In certain cases, staging surgery is performed to find out how far the cancer has spread. The evaluation of tumours by the surgeon and the results of laboratory and imaging tests are used to determine the clinical stage of the cancer.

Preventive surgery

Preventive surgery is performed to remove body tissue that is likely to become cancerous even though there are no signs of cancer at the time of surgery. For example, pre-cancerous growth may be removed from the colon during a colonoscopy.

Definitive surgery

Definitive surgery is usually performed when cancer is found in one part of the body and it is likely that all of the cancer can be removed. In such cases, definitive surgery could be the principal treatment.

Debulking surgery

Debulking surgery is used to remove some, but not all, of the cancer. It is carried out in cases when taking out the entire tumour would also cause significant damage to nearby organs or tissue. For example, it may be used to treat advanced cancer of the ovary and some lymphomas.

Palliative surgery

Palliative surgery is used to treat problems caused by an advanced stage of cancer. Palliative surgery can be used to correct a problem that is causing discomfort or disability. For example, some cancers in the abdomen may grow large enough to obstruct the intestine. If this happens, a palliative surgery can be performed to remove the blockage.

Restorative surgery

Restorative or reconstructive surgery is performed to improve the person's appearance after a major cancer surgery. It is also used to restore the functions of an organ or a body part after surgery. Examples include breast reconstruction after mastectomy or the use of tissue flaps, bone grafts, or prosthetic (metal or plastic) materials after surgery for head and neck cancers.

In recent times, surgery has been moving from a more radical approach towards organ preservation, shorter hospital stays, less post-operative morbidity and minimally invasive and robotic surgeries.

Research Services

In addition to offering central reference laboratory services, under our Triesta brand, we also offer the following research and development services to pharmaceutical and biotechnology companies:

- services relating to the planning and management of clinical trials at sites in India; and
- services relating to the identification and validation of cancer biomarkers (which are molecular substances that are utilised in cancer diagnosis, treatment decision and response monitoring).

Triesta manages the conduct of clinical trials of drugs on cancer patients within the HCG network for multinational and Indian pharmaceutical and biotechnology company sponsors, as well as for international and domestic clinical research organisations that are contracted by pharmaceutical companies to conduct such trials in India. Under such service arrangements, Triesta typically provides services relating to (i) helping sponsors evaluate the feasibility of conducting their proposed clinical trials in India; (ii) assisting in the selection of investigators and sites at which to conduct the trial and screening of patients for their eligibility to participate in the trial; (iii) assisting the trial's investigators with all aspects of the implementation of the trial in accordance with the approved clinical protocol; and (iv) assisting in data collection and reporting to the trial sponsors or clinical research organisations.

The molecular research department of Triesta undertakes sponsored research projects for pharmaceutical and biotechnology companies relating to the discovery and validation of cancer biomarkers. Triesta maintains an annotated biorepository of consented clinical specimens, including cancer tumour tissue (and in most cases, paired normal tissue), blood and serum. In many cases, Triesta also maintains clinical data for patients, all in full compliance with norms of good clinical practice and as per protocols approved by our central ethics committee. The Triesta research team works with physicians within the HCG network to determine the genetic profile of different types of cancer to formulate personalised therapeutic approaches, which enable the effective delivery of quality cancer care.

Our Milann Network of Fertility Centres

Existing Milann fertility centres in India

As of June 30, 2015, we operated four Milann fertility centres in Bengaluru and four outreach clinics in the state of Karnataka, through our 50.10% equity interest in BACC Healthcare and resultantly, in its wholly-owned subsidiary, DKR Healthcare.

BACC Healthcare was incorporated in 2002 and its founder Dr. Kamini Rao has an established track record of over 25 years in providing fertility treatments. Dr. Kamini Rao is a pioneer in the field of assisted reproduction in India and has extensive knowledge and expertise in the field. She was awarded the *Padma Shri* award by the

President of India in 2014 for her contribution to the field of assisted reproduction. She also served in the past as the president of the Federation of Obstetric and Gynaecological Society of India. See also, “*Our Management*” on page 193. She actively leads Milann's day-to-day clinical operations, which we believe is a key contributory factor in Milann's growth.

The following table sets out our existing Milann fertility centres as of June 30, 2015 and their facilities and service offerings:

Location of the Milann fertility centre	Commencement of Operation (calendar year)	Facilities and Services				
		Number of Beds	Operation Theatres	Endoscopy operation theatre	Embryology laboratory	Neonatal ICU
Bengaluru - Shivananda Circle	1989	38	1	√	√	√
Bengaluru - Jayanagar	2010	26	1	√	√	√
Bengaluru - Indiranagar	2012	6	1	-	√	-
Bengaluru - MS Ramaiah Nagar	2015	6	1	√	√	√ ¹

Note:

1. We utilise the neonatal ICU facilities of our partner.

We also operate four outreach clinics in the state of Karnataka. Our fertility specialists provide medical services to outpatients at these outreach clinics. Patients from these clinics are referred to our Milann fertility centres for IVF and other procedures, as necessary.

As of June 30, 2015, we were also in the process of establishing three new fertility centres in India.

Our Service Offerings

Our Milann fertility centres provide comprehensive reproductive medicine services, including the following:

Diagnostic Services

Milann offers comprehensive fertility diagnostic and evaluation services ranging from ultrasound scans, diagnostic hysteroscopy and fertility related laboratory tests, including, but not limited to, hormonal assays (which measure hormonal imbalances), cytogenetic and molecular diagnostic tests. Most patients who register at a Milann fertility centre undertake a comprehensive diagnostic check-up, based on which we recommend an appropriate course of treatment.

Fertility Treatment Services

Our Milann fertility centres provide the following treatment services:

Intra-uterine insemination (“IUI”)

IUI is usually the first treatment option for couples with otherwise unexplained infertility problems. IUI is a minimally invasive procedure of artificial insemination, wherein washed semen from the male partner is placed in the woman's womb.

In vitro fertilisation (“IVF”)

IVF is the most common treatment option for couples who are unable to conceive after multiple attempts at timed intercourse and/ or IUI or patients who are subject to known risk factors such as diabetes, thyroid disorders, endocrine problems, reproductive health problems or other clinical impediments to fertility. A typical IVF cycle would include a course of medication to induce ovarian stimulation of the woman, followed by retrieval of eggs from the woman which is a day care procedure. The retrieved eggs are then fertilised with the man's sperm in an embryology laboratory to form either a cleavage embryo (grown for two to three days) or a blastocyst embryo (grown for five to six days). The embryo is then transferred into the woman's uterus at a later stage.

Intracytoplasmic sperm injection (“ICSI”)

ICSI is a variation of the IVF procedure where a single pre-selected sperm is directly inserted into the egg. ICSI is a preferred option in male infertility cases. A majority of the IVF procedures undertaken at our Milann fertility centres in the recent times have included ICSI.

In the event that the fertilisation results in more than two to three viable embryos, the couple has an option to freeze extra embryos for a later attempt at pregnancy. Such an attempt is known as “frozen embryo transfer”, where the frozen embryo is thawed and then transferred into the woman's uterus.

Operative hysteroscopy and laparoscopy procedures

Operative hysteroscopy and laparoscopy are minimal access gynaecological surgeries. These procedures allow a gynaecologist to directly visualise a woman's internal pelvic structure and organs from inside or outside the uterine cavity through a pen sized camera. Some problems that can be corrected with operative hysteroscopy and laparoscopy include removing scar tissue from around the fallopian tubes, uterus and ovaries, opening blocked tubes, removing ovarian cysts and treating ectopic pregnancy. These procedures offer the benefits of shorter recovery time and smaller incisions compared to regular abdominal surgeries.

Donor cycles

Couples who are unable to conceive through their own sperm or eggs can consider using a donor (eggs, sperm or embryos). In a typical egg donor cycle, an IVF is performed on the donor, and the retrieved eggs are fertilised with the man's sperm. Resultant embryos are then transferred to the woman's uterus. Additional embryos thus formed can also be frozen for future frozen embryo transfer cycles. Our Milann fertility centres offer donor IVF services in accordance with the ART Guidelines. Our Milann fertility centres do not themselves manage an egg or sperm donor bank, but work with authorised ART donor banks and agencies which are authorised to provide donor services.

Gestational surrogacy

IVF gestational surrogacy is legally accepted in India as a treatment option for infertile women with certain clearly defined medical problems, for example, where the woman is unable to carry a child, or has conditions that make pregnancy impossible or a health risk. The fertilised embryo from an IVF cycle undertaken by the couple is placed into the uterus of a gestational surrogate. The surrogate then carries the baby until birth. Our Milann fertility centres offer IVF with surrogates in compliance with the ART Guidelines, and we work with recognised third party agencies that provide surrogacy services to couples.

Other Services

Our Milann fertility centres also provide the following services:

- Oncofertility and preventive infertility management, which is a multidisciplinary fertility treatment aimed at preserving fertility in patients undergoing cancer treatment. This combines HCG's expertise in cancer care with Milann's expertise in reproductive medicine and embryology to provide fertility-centric solutions to patients receiving cancer treatment.
- High-risk obstetrics and fetomaternal medicine services, including neo-natal intensive care unit services for new born children.
- Specialised clinics, which are operated by our Milann fertility centres, offering diagnosis and treatment in (i) polycystic ovarian syndrome, which is caused as a result of hormonal imbalance in women, endometriosis and uterine fibroids; (ii) recurrent miscarriages; and (iii) gestational diabetes hypertensive disorders.

Our Multi-Speciality Hospitals

As of June 30, 2015, we operated two multi-speciality hospitals in Ahmedabad and Bhavnagar, both in the state of Gujarat. We acquired a 100% equity interest in HCG Medi-Surge (formerly known as Medi-Surge Associates Private Limited) at Ahmedabad in July 2007, which equity interest was subsequently reduced to 74%. HCG Medi-Surge operated a multi-speciality hospital, which was subsequently demerged from HCG Medi-Surge and merged with our Company pursuant to a court approved scheme of merger, effective from April 1, 2012. Pursuant to this demerger, we now operate this multi-speciality hospital, HMS, at Ahmedabad.

HMS is a tertiary care hospital with 110 beds, including 46 ICU beds as of June 30, 2015. It provides comprehensive inpatient and outpatient treatments. Its key specialities include cardiology, neurology, orthopaedics, gastroenterology, urology, internal medicine and pulmonary and critical care.

As of June 30, 2015, HMS was equipped with five major operation theatres, which are used to perform complex surgeries and one minor operation theatre, which is used to perform minor surgical procedures. Other facilities at HMS include intensive coronary care unit, coronary care unit, surgical intensive care unit, high dependency unit and cardiothoracic intensive care unit. It also has cardiac catheterisation laboratory facilities, which offer a variety of diagnostic and interventional cardiology procedures. It also has an in-house pharmacy, comprehensive diagnostic facilities and a well-equipped pathology department. The radiology department at HMS is equipped with advanced diagnostic equipment, such as digital radiology systems, CT scanner and digital mammography.

With our successful track record of operating HMS, we commenced operation of another multi-speciality hospital at Bhavnagar in April 2015. As of June 30, 2015, the hospital infrastructure included 92 beds, including 25 ICU beds (of which, 33 beds, including 12 ICU beds were operational as of June 30, 2015), two major operation theatres and one minor operation theatre. Key specialities offered at our Bhavnagar multi-speciality hospital include cardiac care, bone and joint care, emergency and critical care, brain and spine care, digestive care and urology and nephrology care.

During Fiscal Years 2015, 2014 and 2013, we derived 11.13%, 10.96% and 11.40%, respectively of our total revenue from HMS.

Medical Equipment Procurement, Repairs and Maintenance

The medical equipment we use is highly complex and there are a limited number of manufacturers worldwide that manufacture such equipment. Equipment repairs and maintenance are typically carried out by the equipment vendors during the warranty period, as specified in the purchase agreement. In the case the purchase agreement does not specify a warranty period, or upon the expiry of the warranty period, repairs and maintenance are in most cases carried out pursuant to annual maintenance contracts or in some cases, pursuant to comprehensive maintenance contracts, with the equipment vendors. Our annual maintenance contracts typically cover provision of repair and maintenance services and minor spare parts; and our comprehensive maintenance contracts typically cover provision of spare parts, labour, repair and maintenance services and transportation.

Payer Profile

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements. In the case of patients who are beneficiaries of third party payer agreements, all or part of the medical bill is payable by the third party payer as per the terms of the relevant payer agreement. Third party payers include (i) central, state and local government bodies; (ii) private and public insurers, including third party administrators acting on behalf of insurers; and (iii) corporate entities that pay for medical expenses of their employees and in certain cases, their dependents. To be eligible for reimbursement by a third party payer, our centres and hospitals need to be empanelled by the payer, and pursuant to such empanelment, we enter into an agreement with the payer. Each third party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment.

Central government payers include schemes such as the Central Government Health Scheme, which provides lifelong health coverage to all current and former central government employees and their dependents; and the Ex-Servicemen Contributory Health Scheme, which covers ex-servicemen pensioners and their dependents. State government payers include schemes such as the Vajpayee Aarogyasri Scheme and the Rajiv Gandhi Aarogyasri Scheme, which provide coverage for patients who are considered “below the poverty line” (such term being defined in the schemes).

Several insurance companies are members of GIPSA. GIPSA has negotiated special package rates with healthcare providers across India, including ourselves, for various medical services provided by us. The terms and conditions of agreements with government payers and industry associations such as GIPSA are generally non-negotiable.

During Fiscal Years 2015, 2014 and 2013, we billed ₹1,779.89 million, ₹1,421.16 million and ₹1,119.82 million, respectively to third party payers which represented 34.27%, 31.49% and 33.10%, respectively of our total revenue from operations. These agreements are an important source of patients for us, and therefore impact

our capacity utilisation and our income from medical services.

Billing and Payment Collection

Services provided at our centres and hospitals are either categorised as outpatient services or inpatient services. Outpatient services are typically billed immediately upon delivery of the services whereas inpatient services are billed upon the discharge of the patient. Bills for both inpatient and outpatient services are generated by the hospital information system at each of our centres and hospitals. Upon delivery of the services, members of the staff in each of the service departments at each centre and hospital make appropriate entries in the hospital information system. Bills are generated based on the approved tariffs for the specified services, or are based on the agreements with the relevant payers. In certain cases, and subject to approval by the centre or hospital manager, discounts are given to certain patients (typically based on their economic condition) on a specific service, or in some instances, on the billed amount. In the case of inpatients, at the time of discharge of the inpatient, the billing department of the relevant centre or hospital receives the bill generated in the hospital information system and verifies the services provided, the applicable tariffs and the discount details prior to issuing the bill to the patient or to the third party payer. Billing and collection functions at our centres and hospitals interact with the payers on a continuing basis for providing information, clarifications pertaining to invoices and the subsequent collection of payments pursuant to the invoices issued to the payers.

Sales and Marketing

Sales and marketing activities for our centres and hospitals are carried out by our sales and marketing personnel. As of June 30, 2015, our sales and marketing team included 122 full-time employees for our domestic operations and 16 contracted sales and marketing personnel who were engaged pursuant to consultation agreements to promote sales and marketing outside India.

We carry out effective and targeted marketing campaigns to support our sales and marketing team, including community outreach programmes, awareness campaigns and consumer marketing activities such as educational seminars on health issues. We also provide continuing medical education programmes targeting referring physicians, to increase referrals to our centres and hospitals. We also involve stakeholders in our marketing campaigns. For instance, we conduct support groups for cancer survivors. Previously, we also carried out a breast cancer awareness programme with a transgender group. Additionally, we undertake media advertising campaigns and co-branding activities with corporate entities to enhance our brand image and visibility.

Business Development

Our business development initiatives are focused on the identification and evaluation of new partnering opportunities in our cancer care, fertility, reference laboratory and multi-speciality hospital businesses. Given that the successful establishment of partnerships and joint ventures with physicians and medical service providers is central to our strategy, building these relationships and evaluating, negotiating and consummating the requisite transactions are critical to our business.

We undertake business development activities throughout India, with a focus on markets in which we do not have current operations and in which we see a significant opportunity to establish cancer centres, fertility centres, reference laboratories and multi-speciality hospitals. We are also actively involved in evaluating opportunities to develop our network of cancer centres through partnerships in Africa. In addition, we periodically and selectively evaluate partnering opportunities in countries in the Middle East and South and Southeast Asia.

From time to time, we receive potential partnership and acquisition proposals from various sources, including our current partners, our vendors and physicians who work with us or refer patients to us.

When examining potential business development opportunities, we undertake a comprehensive assessment of the market opportunity, the competitive landscape and the partner's/ target's strengths and weaknesses, as well as the financial terms of the proposal. Once a potential opportunity is identified, it is presented to our management team and the board of directors for approval.

Training

We believe that in order to maintain the quality of care we offer to our patients, our physicians and other medical staff must pursue a rigorous programme of continuing education. We offer a wide range of health education sessions and seminars on-site at our centres and hospitals to our physicians and medical staff, as well

as to healthcare professionals outside our network of centres and hospitals. The sessions are led by expert physicians and other healthcare professionals from our network of centres and hospitals, who have first-hand knowledge of the latest clinical developments and research. We believe that these sessions provide an important forum to discuss recent developments to improve patient care and teach our physicians and medical staff new skills. In addition, we believe that they also provide an important opportunity for us to showcase the capabilities of our centres, hospitals and physicians and allow our physicians to grow their referral networks.

We also offer physicians the opportunity to consult with each other on challenging cases and treatments. For example, at our weekly tumour board discussions, we discuss selected complex cases from across our HCG network. This allows knowledge sharing and enables us to develop best practices and protocols which are implemented across our HCG network. We also evaluate the clinical activities of each centre and hospital as part of our annual evaluations to ensure that high quality treatments or services are provided to patients.

Furthermore, we have a dedicated learning and development department, which continuously monitors the learning and development activities and ensures that a high quality of service is provided to our patients, thereby improving patient satisfaction. Our learning and development department provides continuing education for quality improvement to our employees. It identifies areas in which training is required, and develops an employee development plan for each employee, pursuant to which employees are provided various skill enhancement trainings.

At our centre of excellence in Bengaluru, we offer a Diplomate of National Board medical residency programme for radiation oncology, medical oncology and pathology, in affiliation with the National Board of Examination. In addition, we offer various certificate medical and nursing courses on oncology, a paramedical course on advanced radiotherapy technology, a laboratory research course and various other medical and non-medical courses for our employees.

Our Milann fertility centres also offer a post-graduate fellowship programme in reproductive medicine services to fertility specialists, in affiliation with the National Board of Examination. Additionally, our Milann fertility centres offer training programmes in IVF for fertility specialists and embryologists. We believe that these education and training programmes are critical capabilities that we have and these enable us to develop an in-house trained team of specialist physicians.

Quality Control and Audit

We are subject to various internal and external audits, incident reporting and feedback monitoring processes. Internal audits are carried out by members of our staff at each cancer centre on a half-yearly basis. Our internal audits are based on standard requirements set out by NABH and may impose corrective and preventive actions, as necessary, for any non-compliance with such requirements. Similar audits are undertaken with respect to our Triesta central reference laboratory for compliance with NABL and CAP standards. Internal quality control in our Triesta central reference laboratory is carried out on a daily basis and is an automatic process carried out by our machinery.

External audits are carried out by NABH at our centre of excellence in Bengaluru and at HMS. External audits by NABL and CAP are carried out at our Triesta central reference laboratory. External audits by NABH, NABL and CAP are based on the standards set out by these bodies and are voluntary. The external accrediting bodies also set out certain quality standards, which are monitored by our internal quality departments and a monthly report of quality indicators is presented to our corporate quality team, which oversees the quality functions of our Company. Further, our internal quality teams document the policies and procedures mandated by the accrediting bodies. The accrediting bodies verify these policies and procedures. Our corporate quality team also develops specific quality indicators to monitor clinical outcomes based on documented clinical procedures.

From time to time, AERB also conducts audits at our cancer centres relating to quality assurance of radiation equipment, radiation safety measures taken by our cancer centres, any changes in the representations made by our cancer centres while obtaining the AERB approval and the adequacy of the skills and number of manpower and resources at each cancer centre.

The quality department of each cancer centre reviews all feedback received from patients daily and takes measures to appropriately address such feedback. Incident reports are collected and analysed by the quality departments weekly and appropriate remedial measures are undertaken.

Employee surveys are carried out twice a year by the human resource departments of each cancer centre and the results of such surveys are shared with the quality departments and the management team of each cancer centre

for remedial measures.

Each cancer centre also has other committees which are responsible for quality control, such as hospital infection control committees, pharmacy and therapeutics committees, employee grievances committees and ethics committees.

We also have a quality management system structured as per the ISO9001:2008 guidelines for quality management systems across our Milann fertility centres. The key quality assurance practices at our Milann fertility centres include standardised treatment and management protocols, service delivery by experts in reproductive medicine, globally accepted medical equipment, regular calibration and maintenance of key equipment, quality control processes such as standardised processes for tests and audits.

Our Milann fertility centres undertake weekly clinical audits aimed at enhancing clinical outcomes, patient safety and care. The clinical audit process reviews and evaluates medical management in line with clinical and scientific best practice standards, clinical success rates, possible causes and courses of action for unsuccessful outcomes, quality metrics for clinical, embryology and laboratory outcomes and policies and action plans for continuous quality improvement.

Intellectual Property

Our Company has registered the HCG logo, its colour scheme and symbols, including the half and the full sun in the HCG logo and the trademark “HealthCare Global”. Our Company has registered the phrases “Cancer Treatment Centres of Asia” and “Cancer Treatment Centres, India” in relation to hospitals, medical and healthcare services, diagnosis of cancer and other diseases, research and development of drugs and pharmaceuticals, medical transcription services and medical outsourcing services. Our Company has also registered the phrases “Cancer Free India” in relation to marketing, advertising and publicity purposes and the phrases “Ray of Hope” and “PINK HOPE” as well as the logo for the latter in relation to our newsletter. Additionally, our Company has registered the phrase “adding life to years”. As of June 30, 2015, our Company was in the process of registering the phrases “the specialist in cancer care” and the trademarks “HCG HOSPITALS” and “TRIESTA SCIENCES”.

Our Subsidiary HCG Medi-Surge Hospital Private Limited has registered the trade name “Medisurge Hospitals Ahmedabad”. Further, Triesta has registered the trade name “TRIESTA” and our Subsidiary BACC Healthcare has applied for the trade name “Milann”.

Our Company has also obtained two patents related to the use of DNA and RNA based methods to diagnose cancer. Additionally, our Company has a pending patent application on an optimised method to extract high yield of quality RNA from archived formalin fixed paraffin embedded cancer tissue samples which are over five years old, which method is utilised by us in our research studies while accessing our biorepository.

We own the rights to the domain names that we use in connection with the operation of our business. Many of the domain names that we use contain relevant key words associated with various types of cancer, cancer and fertility treatments, equipment used in the treatments and services provided by us.

Specialist Physicians

We rely on specialist physicians to provide cancer care, fertility treatment and other specialist care to our patients. We enter into medical consultancy contracts with a majority of these specialist physicians. Pursuant to such medical consultancy contracts, we pay professional fees to these physicians for the services rendered by them.

The following table sets out the details of the specialist physicians (including consultants and employees) across various specialities, in our HCG network (including the specialist physicians at our Triesta central reference laboratory), our Milann network and our multi-specialty hospitals as at March 31, 2015:

Category	HCG Network ¹	Milann Network	Multispecialty Hospitals	Total
Oncologists	225	-	-	225
Fertility specialists	-	29 ⁴	-	29
Radiologists	21	-	3	24
Pathologists	23	-	2	25
Other specialist physicians	174 ²	30 ⁵	99 ⁶	303

Category	HCG Network ¹	Milann Network	Multispecialty Hospitals	Total
Total	443³	59	104	606

Notes:

1. Includes specialist physicians at our Triesta central reference laboratory.
2. Other specialist physicians in our HCG network (including specialist physicians at our Triesta central reference laboratory) include anaesthesiologists, cardiologists, cardiovascular surgeons, dermatologists, endocrinologists, general surgeons, gynaecologists, head and neck surgeons, microbiologists, nephrologists, nuclear medicine specialists, neurologists, neurosurgeons, oral and maxillofacial surgeons, orthopaedic and spine surgeons, otolaryngologists, paediatric surgeons, plastic surgeons, preventive medicine specialists, psychiatrists, pulmonologists, urologists and vascular surgeons.
3. Includes 40 employees and 403 consultants engaged pursuant to medical consultancy contracts.
4. Includes 20 fertility specialists who are undertaking their post-graduate fellowships in reproductive medicine services at our Milann fertility centres.
5. Other specialist physicians in our Milann network include anaesthesiologists, endoscopic surgeons, endocrinologists, gynaecologists, paediatric specialists, sinologists and urologists.
6. Other specialist physicians at our multi-speciality hospitals include cardiac specialists, dermatologists, endocrinologists, gastroenterologists, gynaecologists, nephrologists, neurologists, ophthalmologists, orthopaedic surgeons, paediatric specialists, pathologists, psychiatrists, pulmonologists, radiologists and urologists.

Employees

The following table sets out the details of our employees (including the specialist physicians employed by us) across various functions, in our HCG network (including the employees at our Triesta central reference laboratory), our Milann network and our multi-speciality hospitals as at March 31, 2015:

Category	HCG Network ⁴	Milann Network	Multispecialty Hospitals	Corporate	Total
Specialist physicians	40	-	-	-	40
Resident and duty doctors	79	-	26	-	105
Nurses	753	46	196	-	995
Medical physicists	34	-	-	-	34
Radiation technologists	75	-	-	-	75
Embryologists	-	5	-	-	5
Other paramedical staff ¹	347	26	60	-	433
Operations ²	758	61	193	13	1,025
Sales and marketing	101	6	9	6	122 ⁶
Administration ³	105	23	39	79 ⁵	246
Total	2,292	167	523	98	3,080

Notes:

1. Other paramedical staff includes dieticians, physiotherapists, radiation safety officers, technicians and technologists (who provide technical support in operating medical equipment).
2. Operations staff includes billing and insurance executives, biomedical engineers, coordinators (who coordinate our internal functions with external institutions), customer care staff, food and beverages staff, front office executives, guest relations executives, hospital operation executives, housekeeping staff, maintenance executives, medical social workers, medical transcriptionists, patient care coordinators, office assistants, purchase executives, security staff, store executives and ward boys.
3. Administration staff includes accounts and finance, human resource, information technology, internal audit, legal, projects, quality control, sales and marketing and secretarial staff and senior management.
4. Includes employees at our Triesta central reference laboratory.
5. In addition, we have one administrative consultant, who is not employed by us.
6. In addition, we have 16 sales and marketing consultants, who are engaged pursuant to consultation agreements to promote sales outside India. They are not employed by us.

We also enter into agreements with third party service providers in relation to ancillary services such as security, parking and housekeeping. Pursuant to such agreements, we engage contract labourers to provide such ancillary services. These contract labourers are not our employees.

Competition

In our cancer care business, we compete with other comprehensive cancer centres which serve the same catchment population. These include centres that are part of multi-speciality hospitals, as well as other speciality cancer hospitals in the private sector and those operated by charitable trusts and government funded institutions.

The fertility business in India is highly fragmented and served by a large number of individual practitioners, as

well as by a few recently organised privately owned multi-clinic chains. On a national level, we primarily compete with such multi-clinic chains. In each local market we serve, we compete with smaller clinics and individual operators.

Insurance

We maintain insurance policies which cover our centres, hospitals and medical equipment to protect against loss in the case of fire, special perils, burglary and housebreaking. We also maintain professional indemnity insurance for medical services provided at our centres and hospitals and commercial general liability insurance for third party damages occurring at our centres. We maintain key employee insurance for our executive officers. We do not maintain product liability insurance for our medical equipment. We also do not maintain business interruption insurance. We consider our current insurance coverage to be adequate.

Regulations and Approvals

For details of regulations and approvals applicable to our Company and our business, see the sections “*Regulations and Policies*” and “*Government and other Approvals*” on pages 171 and 290, respectively.

Legal Proceedings

We, certain of our Subsidiaries, our Promoters and our Directors are subject to significant claims and legal proceedings. The results of these claims and legal proceedings cannot be predicted and these claims and legal proceedings, individually or in the aggregate, may have a material adverse effect on our business (both in the near and long term), liquidity, financial position, cash flows or results of operations.

For further details of our material litigation, see the section “*Outstanding Litigation and Material Developments*” on page 277.

Awards, Recognitions and Accreditation

For details of awards, recognitions and accreditations received by our Company, see “*History and Certain Corporate Matters*” on page 177.

Our Properties

Our registered office is located at HCG Tower, No. 8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027. The land on which our registered office is located is owned by us.

Our centre of excellence in Bengaluru is located in buildings which are partly owned by us and partly leased from third parties. The tenure of such leases range from 2 to 30 years. A majority of our comprehensive cancer centres are located on land and/or buildings which are leased from our partners or other third parties. The leasing arrangements that we have entered into for such land and/ or buildings range from 11 months to 25 years. Some of our comprehensive cancer centres, which have been set up in our partners' premises have been occupied on the basis of revenue sharing arrangements.

Our free standing diagnostic centres, day care chemotherapy centre, fertility centres and multi-speciality hospitals are located on land and/ or in buildings which are leased from third parties.

REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations as prescribed by the Government of India or State governments which are applicable to our Company, our Subsidiaries and our LLPs. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We own and operate cancer centres, diagnostic centres, fertility clinics, clinical reference laboratories and multispecialty hospitals. For further details, see “Our Business” on page 147.

For details of approvals obtained in accordance with applicable regulations, see “Government and Other Approvals” on page 290.

Key regulations applicable to the healthcare sector

Atomic Energy Act, 1962 (“Atomic Energy Act”) and Atomic Energy (Radiation Protection) Rules, 2004 (“Atomic Energy Rules”)

The Atomic Energy Act, *inter alia*, mandates that no minerals, concentrates and other materials which contain prescribed substances be disposed off without the previous permission in writing of the Central Government. Further, the Atomic Energy Act provides that the Central Government may require a person to make periodical and other returns or such statements accompanied by plans, drawings and other documents as regards any prescribed substance in the Atomic Energy Act that can be a source of atomic energy and further states that the Central Government may prohibit among other things the acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance except under a license granted by it to that effect.

Pursuant to the provisions of the Atomic Energy Act, the Central Government has framed the Atomic Energy Rules, which apply to practices adopted and interventions applied with respect to radiation sources. The Atomic Energy Rules prescribe guidelines for obtaining licenses for carrying out activities relating to radiation, specifies procedures for obtaining licenses, exemptions, etc. and requirements for radiation surveillance, health surveillance etc.

Pursuant to the Atomic Energy Act, the Atomic Energy Regulatory Board (“AERB”) has been designated by the Central Government, as the regulatory body responsible for granting, renewing, withdrawing and revoking consents for nuclear and radiation facilities. The AERB also exercises control over nuclear installations and the use of radioactive substances and radiation generating plants outside such installations.

Radiation Protection Rules, 1971 (“Radiation Rules”)

The Radiation Rules provide that all persons handling radioactive material need to obtain a license from a competent authority. It stipulates that no person is to use any radioactive material for any purpose, in any location and in any quantity, other than in a manner otherwise specified in the license and that every employer must designate a “Radiological Safety Officer” and maintain records with respect to every such radiation worker in the manner prescribed in the Radiation Rules.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 (“Radiation Surveillance Procedures”)

The Radiation Surveillance Procedures have been notified in pursuance of Rule 15 of the Radiation Rules. In terms of the Radiation Surveillance Procedures, employers have to ensure that all procedures and operations involving radiation installations, radiation equipment and radioactive materials are performed in conjunction with a pre-planned surveillance programme approved by the competent authority so as to ensure adequate protection. The Radiation Surveillance Procedures also provide for licensing of radioactive equipment and maintenance of records.

The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (“X-Ray Safety Code”)

The X-Ray Safety Code elaborates the safety requirements contained in the Atomic Energy Act, the Radiation Rules, and the Radiation Surveillance Procedures relevant to medical diagnostic X-Ray equipment, their

installations and use. Guidance and practical aspects on implementing the requirements of the X-Ray Safety Code are also provided in various guides issued under the X-Ray Safety Code.

Registration of private medical establishments

We are subject to the registration requirements and standards for maintaining a private medical establishment enacted by the state governments of the states where we own, maintain or operate establishments. Therefore, we are subject to the provisions of the Karnataka Private Medical Establishments Act, 2007, the Bombay Nursing Homes Registration Act, 1949 and the Andhra Pradesh Allopathic Private Medical Care Establishments Registration and Regulations Act, 2002.

Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PNDT Act”)

The PNDT Act regulates the use of pre-natal diagnostic techniques for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and for the prevention of the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide, and, for matters connected therewith or incidental thereto. The PNDT Act prohibits all genetic counselling centres, genetic clinics or genetic laboratories from conducting, or associating with, or helping in, conducting activities related to pre-natal diagnostic techniques unless they have been registered with the appropriate authorities. Further, the PNDT Act prohibits genetic counselling centres, genetic clinics or genetic laboratories from employing any person unless such person possesses the prescribed qualifications.

Medical Termination of Pregnancy Act, 1971 (“MTP Act”)

The MTP Act regulates the termination of pregnancies by registered medical practitioners and matters connected therewith. It stipulates that an abortion can be carried out only in certain specified circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing a medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Under the MTP Act, private hospitals and clinics need government approval and authorisation (certification) to provide medical termination of pregnancy services. Under the rules framed pursuant to the MTP Act, private clinics can receive their certification only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

Transplantation of Human Organs Act, 1994 (“Transplantation of Organs Act”)

The Transplantation of Organs Act provides for the regulation of removal, storage and transplantation of human organs and tissues for therapeutic purposes and for the prevention of commercial dealings in human organs, tissues and matters incidental thereto. It prohibits the removal of any human organ except in situations provided therein, and no hospital can provide services specified therein unless such hospital is duly registered under the provisions of the Transplantation of Organs Act.

Explosives Act, 1884 (“Explosives Act”)

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act.

Narcotic Drugs and Psychotropic Substances Act, 1985 (“Narcotic Act”) and the Narcotic Drugs and Psychotropic Substances Rules, 1985 (“Narcotic Rules”)

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Subsequently, the Narcotic Act was amended in 2014 to remove restrictions on certain drugs called

‘essential narcotic drugs’ and to improve treatment and care for people dependent on drugs. The Narcotic Act and the Narcotic Rules were further amended in 2015 to prescribe certain additional obligations on registered medical institutions and medical practitioners which include maintenance of accounts, filing of annual returns and prescribed formats in which prescriptions are to be provided.

Pharmacy Act, 1948 (“Pharmacy Act”)

The Pharmacy Act requires all pharmacists to obtain a registration with the relevant state registrar. The registration process includes providing (a) the full name and residential address of the pharmacist; (b) the date of his first admission to the register; (c) his qualifications for registration; (d) his professional address; and if he is employed by any person, the name of such person; and (e) such further particulars as may be prescribed.

Drugs and Cosmetics Act, 1940 (“DCA”) and the Drugs and Cosmetics Rules, 1945 (“DCA Rules”)

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA specifies the requirement of a license for the manufacture, sale or distribution of any drug or cosmetic. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities. We are also subject to the licensing and safety requirements for operating a blood bank in terms of the guidelines for blood banks under the Drugs and Cosmetics Rules, 1945, as amended.

According to the DCA Rules, human clinical trials are conducted in four sequential phases that may overlap under some circumstances:

- Phase I: The objective of phase I of trials is the estimation of safety and tolerability with the initial administration of an investigational new drug into human(s).
- Phase II: The objective of phase II of trials is to evaluate the effectiveness of a drug for a particular indication or indications in patients with the condition under study and to determine the common short-term side-effects and risks associated with the drug.
- Phase III: The purpose of these trials is to obtain sufficient evidence about the efficacy and safety of the drug in a larger number of patients, generally in comparison with a standard drug and/or a placebo as appropriate.
- Phase IV: Post marketing trials are studies (other than routine surveillance) performed after drug approval and related to the approved indication(s).

Ethical Guidelines for Biomedical Research on Human Participants, 2006 (“ICMR Code”)

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted under conditions in a manner conducive to and consistent with their dignity, well being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of such research.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted institutional ethics committee (“**IEC**”) to safeguard the welfare and the rights of the participants. The IEC should have a maximum strength of eight to 12 persons with the chairman being preferably from outside the institution so as to maintain independence of the committee. The other members should be a mix of medical, non-medical, scientific and non-scientific persons including lay public to reflect the differed viewpoints.

Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

Indian Medical Council Act, 1956 (“IMCA”)

The IMCA was enacted to register, establish and regulate the working of a medical college or a hospital/health centre where a person undergoes medical training. Under the IMCA, state medical councils are required to maintain a medical register regulating the registration of practitioners of medicine.

Indian Medical Degree Act, 1916 (“IMDA”)

The IMDA was enacted to regulate the grant of titles implying qualification in western medical science and the assumption and use by unqualified persons of such title. The IMDA also provides for penalty for voluntarily and falsely assuming or using any title or description or any addition to a person’s name implying that he holds a degree, diploma, license or certificate conferred granted or issued by any authority for purposes of medicine practice.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002

The Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 have been framed under the IMCA, to regulate the professional conduct, etiquette and ethics of registered medical practitioners.

Indian Nursing Council Act, 1947

The Indian Nursing Council Act, 1947 was enacted with the intention of establishing a uniform standard of training of nurses and for establishing state councils to register nurses in the state registers.

Food Safety Regulations

Food Safety and Standards Act, 2006 (“FSSA”)

The FSSA was enacted for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Safety and Standard Rules, 2011 (“FSSR”) have been framed under the FSSA. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed in order to be valid at any given point of time.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent, the State PCB

shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Environment Protection Act, 1986 (“EPA”)

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Bio-Medical Waste (Management and Handling) Rules, 1998 (“BMW Rules”)

The BMW Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and environment and to set up bio-medical waste treatment facilities as prescribed under the BMW Rules. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorisation and 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 bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Waste Rules”)

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an “occupier”. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorisation from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

Atomic Energy (Safe Disposal of Radioactive Waste) Rules, 1987 (“Radioactive Waste Rules”)

The Radioactive Waste Rules prescribe the manner in which radioactive waste may be disposed. The Radioactive Waste Rules mandate that an entity obtain licenses from competent authorities to dispose radioactive waste. The authorisation sets out the quantity and the location at which the waste may be disposed. The manner in which the waste is to be disposed off is also prescribed. An entity authorised to dispose waste under these rules is required to maintain records of the waste disposal and make quarterly filings with the competent authority.

Water (Prevention & Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Fire prevention and life safety measures

We are subject to the fire control and safety rules and regulations framed by the various state governments where we own, operate and maintain establishments.

Lift Rules

We are subject to the registration and licence requirements and safety rules and regulations framed by the various state governments including the Karnataka Lifts Act, 1974, the Karnataka Lift Rules 1976, and the Gujarat Lifts and Escalators Act.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company and our Subsidiaries in India include the following:

- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Inter State Migrant Workers Act, 1979;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Shops and Commercial Establishment Acts, where applicable.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Curie Centre of Oncology Private Limited on March 12, 1998 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to HealthCare Global Enterprises Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on November 14, 2005. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on May 20, 2006 and the name of our Company was changed to HealthCare Global Enterprises Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on July 5, 2006.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
December 4, 2007	From Gate No. 2, St. John's Medical College and Hospital Campus, Koramangala, Bengaluru 560 034, Karnataka, India to HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India

The change in the Registered Office was made since all the corporate activities of our Company were controlled from our Registered Office.

Main Objects of our Company

The main objects contained in the MoA of our Company are as follows:

- "1. To carry on the business of rendering treatment to persons suffering from cancer, to carry on research therein and to train various persons in scientific methods of cancer treatment and to generally act as a provider of various services in the treatment for and research in the field of oncology.*
- 2. To carry on the business of establishing, developing, leasing, managing, operating and running of medical service centres such as nursing care homes, hospitals, polyclinics, health resorts, health clubs, in-patient and out-patient wards, laboratories, scanning, diagnostic and other medical amenity centres, therapy units, theatres and allied consultation cells.*
- 3. To carry on the business of production and selling of isotopes, wholesale and retail pharmacists and druggists, manufacture, process, buy, sell, import, export, pack, bottle, vial, label all kinds and descriptions of pharmaceuticals, chemicals, radio pharmaceuticals to PET CT Centres, manures, fertilizers, insecticides, fungicides, pesticides and all other allied chemicals and medical preparations required for medical, agricultural, plantations, and industrial purposes and also all kinds of medical and other instruments, equipments, implements, components and other accessories.*
- 4. To undertake clinical and cell molecular biology, stem cells and genetic related research activities, establish well equipped laboratory, undertake drug and diagnostic discovery research activities including but not limited to genetic and expression based target validation and identification, bio marker discovery and assay optimization, pharmacogenomic studies, bio informatics, pre-clinical evaluations, clinical trials, post marketing clinical research and tool development and carry on advanced medical imaging in the field of oncology, cardiology, neurology and other related fields, analytical experimental research analysis and testing, development and other work or undertaking in relation to medical diagnosis."*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see "Objects of the Offer" on page 110.

Amendments to the MoA

Set out below are the amendments to our MoA since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
March 7, 2000	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹500,000 divided into 5,000 Equity Shares of ₹100 each to ₹5,000,000 divided into 50,000 Equity Shares of ₹100 each
November 8, 2002	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹5,000,000 divided into 50,000 Equity Shares of ₹100 each to ₹10,000,000 divided into 100,000 Equity Shares of ₹100 each
October 10, 2005	Clause I of the MoA was amended to reflect the change in the name of our Company from Curie Centre of Oncology Private Limited to HealthCare Global Enterprises Private Limited
October 13, 2005	Clause V of the MoA was amended to reflect the subdivision of the Equity Shares of face value ₹100 each to Equity Shares of face value ₹10 each
October 13, 2005	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each to ₹25,000,000 divided into 2,500,000 Equity Shares of ₹10 each
November 25, 2005	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital from ₹25,000,000 divided into 2,500,000 Equity Shares of ₹10 each to ₹25,000,000 divided into 2,385,000 Equity Shares of ₹10 each and 115,000 optionally convertible preference shares of ₹10 each
February 27, 2006	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹25,000,000 divided into 2,385,000 Equity Shares of ₹10 each and 115,000 optionally convertible preference shares of ₹10 each to ₹60,000,000 divided into 5,885,000 Equity Shares of ₹10 each and 115,000 optionally convertible preference shares of ₹10 each
May 20, 2006	Clause I of the MoA was amended to reflect the conversion of our Company into a public limited company
March 14, 2007	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹60,000,000 divided into 5,885,000 Equity Shares of ₹10 each and 115,000 optionally convertible preference shares of ₹10 each to ₹100,000,000 divided into 10,000,000 Equity Shares of ₹10 each and cancellation of the 115,000 optionally convertible preference shares of ₹10 each
March 14, 2007	Clause III(A) of the MoA was amended to include establishing, developing and managing medical service centres, production and sale of isotopes, and research in the field of clinical and cell molecular biology, stem cells and related genetic research as part our main objects and Clause III (C) of the MoA was amended to include carrying on the business of medical tourism, engagement in information technology enabled services and setting up of research institutions as part of our other objects
April 25, 2007	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹100,000,000 divided into 10,000,000 Equity Shares of ₹10 each to ₹250,000,000 divided into 25,000,000 Equity Shares of ₹10 each
March 5, 2008	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹250,000,000 divided into 25,000,000 Equity Shares of ₹10 each to ₹300,000,000 divided into 30,000,000 Equity Shares of ₹10 each
November 11, 2008	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹300,000,000 divided into 30,000,000 Equity Shares of ₹10 each to ₹500,000,000 divided into 50,000,000 Equity Shares of ₹10 each
February 11, 2010	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹500,000,000 divided into 50,000,000 Equity Shares of ₹10 each to ₹600,000,000 divided into 60,000,000 Equity Shares of ₹10 each
March 10, 2011	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹600,000,000 divided into 60,000,000 Equity Shares of ₹10 each to ₹650,000,000 divided into 65,000,000 Equity Shares of ₹10 each
June 16, 2010*	The scheme of amalgamation between BMORCL and our Company was approved at the court convened meeting of our Shareholders. Pursuant to the order of the High Court of Karnataka dated March 16, 2011 approving the amalgamation of BMORCL with our Company, Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹650,000,000 divided into 65,000,000 Equity Shares of ₹10 each to ₹770,000,000 divided into 77,000,000 Equity Shares of ₹10 each
September 29, 2012	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹770,000,000 divided into 77,000,000 Equity Shares of ₹10 each to ₹1,200,000,000 divided into 120,000,000 Equity Shares of ₹10 each
January 9, 2015*	The scheme of amalgamation between HCG Vijay and our Company was approved at the court convened meeting of our Shareholders. Pursuant to the order of High Court of Karnataka dated March 31, 2015 approving the merger of HCG Vijay with our Company, Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹1,200,000,000 divided into 120,000,000 Equity Shares of ₹10 each to ₹1,270,000,000 divided into 127,000,000 Equity Shares of ₹10 each.

*Court convened meetings

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Particulars
2005	Entered into the clinical laboratory business through acquisition of Triesta Sciences Inc. and Triesta Sciences (India) Private Limited
2006	India Development Fund made its first investment of ₹500 million in our Company
2006	BMORCL became our Subsidiary
2007	HCG Medi-Surge became our Subsidiary
2007	Evolve made its first investment of ₹225 million in our Company
2008	NTICPL made its first investment of ₹400 million in our Company
2009	Amalgamation of Triesta Sciences (India) Private Limited and Triesta Sciences Inc with our Company
2010	IL&FS Trust Company Limited a/c MPEF, through its scheme India Build Out Fund I and MAT made its first investment of ₹312 million in our Company
2011	Amalgamation of BMORCL with our Company
2011	PIOF became a Shareholder by purchasing shares from NTICPL
2013	V-Sciences made its first investment of ₹600 million in our Company
2013	Entered into the fertility business through acquisition of 50.10% stake in BACC Healthcare
2014	Demerger of multispecialty division from HCG Medi-Surge and vesting of the same with our Company
2015	HCG Regency became our Subsidiary
2015	Amalgamation of HCG Vijay with our Company

Awards and Accreditations

We have received the following awards and accreditations:

Year	Awards and Accreditations
2010	Our Company received the ‘Oncology Leader of the Year’ award from Frost and Sullivan
2011	Our Company and our Triesta Reference Laboratory received CAP accreditation valid up to August 25, 2015
2011	Our Company received the ‘Oncology Leader of the Year’ award from Frost and Sullivan
2012	HCG cancer centre at Bengaluru received NABH accreditation valid up to May 11, 2018
2013	Our Company received the ‘Best Place to Work in Indian Healthcare’ award from People Strong and HOSMAC
2013	HMS, Ahmedabad received NABH accreditation valid up to June 22, 2016
2013	Triesta Reference Laboratory received accreditation from the National Accreditation Board for Testing and Calibration Laboratories for its facilities at HCG Tower, Bengaluru in the field of medical testing valid up to October 13, 2015
2013	Our Company was designated an ESMO Designated Centre of Integrated Oncology and Palliative Care
2013	Our Company received the ‘Most Innovative Single Specialty Healthcare Entity’ award from VC Circle
2014	Our Company received the ‘Golden Peacock Award for Innovation in Management’ from the Institute of Directors
2014	Our pathology laboratory at HMS received ISO 9001 certification valid up to August 30, 2017
2015	Our Company received recognition from the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India for our in-house research and development wing at HCG Tower, Bengaluru

Other Details Regarding our Company

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company with reference to prominent competitors with reference to products, management, major suppliers and customers, segment, capacity/facility creation, location, environmental issues, market capacity build-up, marketing and competition, “Our Business”, “Our Management” and “Industry Overview” on pages 147, 193 and 135 respectively.

For details regarding profits arising out of foreign operations, see “Financial Statements” on page F-1.

Lock-outs and Strikes

Nurses employed at our hospital in Bengaluru submitted a charter of demands, seeking among other things, increase in wages, travel allowance, and changes in the leave policy. Subsequently some of our nurses went on strike on May 10, 2012. Our Company submitted a petition for conciliation before the Deputy Labour Officer, Bengaluru on May 11, 2012. However, the strike was called off and pursuant to a letter dated May 11, 2012 addressed to the Deputy Labour Officer, Bengaluru the nurses confirmed that there was no dispute between themselves and our management.

Other than as specified above, there have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets.

Scheme of Amalgamation of Triesta Sciences Inc. and Triesta Sciences (India) Private Limited with our Company as approved by the High Court of Karnataka

Triesta Sciences Inc. and Triesta Sciences (India) Private Limited merged with our Company pursuant to Sections 391 to 394 of the Companies Act, 1956 under a scheme of arrangement which was approved by the High Court of Karnataka by its order dated June 5, 2009 effective from April, 1 2007. Pursuant to this scheme, all assets, debts, outstandings, credits, liabilities, duties and obligations of Triesta Sciences Inc. and Triesta Sciences (India) Private Limited were transferred to and vested in our Company. Further all employees of Triesta Sciences Inc. and Triesta Sciences (India) Private Limited in service as on the effective date under the scheme became the employees of our Company. Since Triesta Sciences Inc. and Triesta Sciences (India) Private Limited were wholly owned subsidiaries of our Company, no additional Equity Shares were allotted to the shareholders of Triesta Sciences Inc. and Triesta Sciences (India) Private Limited and the existing shares of Triesta Sciences Inc. and Triesta Sciences (India) Private Limited held by our Company were extinguished and cancelled as on the effective date. For further details, see “*Capital Structure*” on page 74.

Scheme of Amalgamation of BMORCL with our Company as approved by the High Court of Karnataka

Our subsidiary, BMORCL was merged with our Company pursuant to Sections 391 to 394 of the Companies Act, 1956 under a scheme of amalgamation which was approved by the High Court of Karnataka by its order dated March 16, 2011 (appointed date April 1, 2009). BMORCL was engaged in the business of treating cancer patients and operating cancer care hospitals in Bengaluru. Pursuant to the scheme, all assets, debts, outstandings, credits, liabilities, duties and obligations of BMORCL were transferred to and vested in our Company. Further all employees of BMORCL in service as on the effective date under the scheme became the employees of our Company. In consideration for the transfer and vesting of the undertaking and business of BMORCL in our Company, our Company allotted to each shareholder of BMORCL, nine Equity Shares of our Company for every five equity shares of BMORCL held by them. For further details, see “*Capital Structure*” on page 74.

Scheme of Arrangement between our Company and HCG Medi-Surge as approved by the High Court of Karnataka and the High Court of Gujarat

The multispecialty division of our Subsidiary, HCG Medi-Surge, was demerged and vested in our Company pursuant to Sections 391 to 394 of the Companies Act, 1956 under a scheme of arrangement which was approved by the High Court of Karnataka and the High Court of Gujarat by their orders dated November 12, 2013 and February 28, 2014 respectively (appointed date April 1, 2012). HCG Medi-Surge originally operated two business divisions namely, oncology and multispecialty divisions. Pursuant to this scheme, the business of the multispecialty division including all its assets, liabilities and employees has vested in our Company. In consideration for the transfer of and vesting of the multispecialty division of HCG Medi-Surge in our Company, our Company has issued and allotted to AOPL, the only other shareholder of HCG Medi-Surge, 0.2668 Equity Shares of our Company for every equity share of HCG Medi-Surge held by it. For further details, see “*Capital Structure*” on page 74.

Scheme of Amalgamation of HCG Vijay with our Company as approved by the High Court of Karnataka

Our subsidiary, HCG Vijay was merged with our Company pursuant to Sections 391 to 394 of the Companies Act, 1956 under a scheme of amalgamation which was approved by the High Court of Karnataka by its order dated March 31, 2015 (appointed Date April 1, 2014). HCG Vijay was engaged in the business of rendering treatment to persons with cancer and operating medical service centres. Pursuant to the scheme, all assets, debts, outstandings, credits, liabilities, duties and obligations of HCG Vijay were transferred to and vested in our Company. Further all employees of HCG Vijay in service as on the effective date under the scheme became the employees of our Company. In consideration for the transfer and vesting of the undertaking and business of HCG Vijay in our Company, our Company allotted to Dr. M Gopichand, the only other shareholder of HCG Vijay, nine Equity Shares of our Company for every 23 equity shares of HCG Vijay held by him. For further details, see “*Capital Structure*” on page 74.

Capital raising activities through equity and debt

Except as mentioned in “*Capital Structure*” on page 74, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see “*Financial Indebtedness*” on page 222.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

Time and cost overruns

We have had instances of time and cost overruns in the development and construction of some of our comprehensive cancer centres and diagnostic centres in the past. The time overruns were mainly due to delays in obtaining requisite government approvals, delays by partners in completing construction and delivering the facilities, delays by vendors in delivering equipment and changes in the specification of the facilities due to technical and regulatory considerations, and changes in construction plans, the cost overruns were mainly due to addition of medical equipment and currency exchange rate variations. For further details, see “*Risk Factors*” and “*Our Business*” on pages 16 and 147 respectively.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

Except as stated in “*Risk Factors*” and “*Financial Statements*” on page 16 and F-1 respectively, there are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Interest in our Company

None of our Subsidiaries have any interest in our Company’s business other than as stated in “*Our Business*” and “*Financial Statements*” on page 147 and F-1 respectively.

Our Shareholders

Our Company has 257 Shareholders as of the date of this Draft Red Herring Prospectus. For further details, regarding our Shareholders, see “*Capital Structure*” on page 74.

Strategic or Financial Partners

Our financial partners are PIOF, MPEF, MAT and V-Sciences. For details regarding our strategic partners, see “*Our Business*” on page 147.

Guarantees:

Our Promoter, Dr. BS Ajai Kumar has provided a personal guarantee dated February 28, 2012 in favour of Axis Bank Limited to secure the repayment of the facilities availed by our Company from Axis Bank Limited. Pursuant to the terms of this guarantee, Dr. BS Ajai Kumar has agreed to repay the facilities in the event of a default by our Company. The term of the guarantee extends until the repayment of the facilities.

For details on the guarantees issued by us and our Subsidiaries and by our Promoters, see “*Financial Indebtedness*” on page 222.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has 14 Subsidiaries.

Our Indian Subsidiaries

1. BACC Health Care Private Limited (“BACC Healthcare”)

Corporate Information

BACC Healthcare was incorporated on February 8, 2002 under the Companies Act, 1956 as a private limited company under the name of Pegasus Health Law Consultants Private Limited. The name of the Subsidiary was subsequently changed to BACC Health Care Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on September 9, 2004. It has its registered office at No. 7, East Park Road, Basement, Kumara Park East, Bengaluru 560 001, Karnataka.

BACC Healthcare is primarily engaged in the business of providing consultancy and advisory services in the field of medicare, planned parenthood, reproductive healthcare services and conducting training in all fields of reproductive healthcare services.

Capital Structure

The authorised share capital of BACC Healthcare is ₹1,000,000 divided into 100,000 equity shares of ₹10 each and its issued and paid up share capital is ₹935,780 divided into 93,578 equity shares of ₹10 each.

Shareholding

Our Company holds 46,883 equity shares of ₹10 each aggregating to 50.10% of the issued and paid up share capital of BACC Healthcare.

2. DKR Healthcare Private Limited (“DKR Healthcare”)

Corporate Information

DKR Healthcare was incorporated on May 14, 2012 under the Companies Act, 1956 as a private limited company under the name of Parenthood Healthcare Private Limited. The name of the Subsidiary was subsequently changed to DKR Healthcare Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on September 16, 2014. It has its registered office at No. 82, CMH Road, Indiranagar 2nd Stage, Bengaluru 560 038, Karnataka.

DKR Healthcare is primarily engaged in the business of offering services in progressive hi-tech clinics in the field of fertility and assisted reproductive technology.

Capital Structure

The authorised, issued and paid-up share capital of DKR Healthcare is ₹2,000,000 divided into 200,000 equity shares of ₹10 each.

Shareholding

Our Subsidiary, BACC Healthcare holds 199,999 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of DKR Healthcare.

3. ***HCG Medi-Surge Hospitals Private Limited (“HCG Medi-Surge”)***

Corporate Information

HCG Medi-Surge was incorporated on March 3, 2000 under the Companies Act, 1956 as a private limited company under the name of Medi-Surge Associates Private Limited. The name of the Subsidiary was subsequently changed to HCG Medi-Surge Hospitals Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat on May 13, 2009. It has its registered office at No. 1, Maharashtra Society, Mithakhali Cross Roads, Ellisbridge, Ahmedabad 380 006, Gujarat.

HCG Medi-Surge is primarily engaged in the business of establishing and operating hospitals, nursing homes, diagnostic and curative centres, pathological laboratories, medical research institutes and providing all types of treatment in respect of all types of diseases.

Capital Structure

The authorised share capital of HCG Medi-Surge is ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each and its issued and paid up share capital is ₹55,687,040 divided into 5,568,704 equity shares of ₹10 each.

Shareholding

Our Company holds 4,120,807 equity shares of ₹10 each aggregating to 74.00% of the issued and paid up share capital of HCG Medi-Surge.

4. ***HCG Pinnacle Oncology Private Limited (“HCG Pinnacle”)***

Corporate Information

HCG Pinnacle was incorporated on December 26, 2012 under the Companies Act, 1956 as a private limited company. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.

HCG Pinnacle is authorised to primarily engage in the business of rendering services to cancer patients, providing services in the treatment of cancer and research in the field of oncology.

Capital Structure

The authorised share capital of HCG Pinnacle is ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each and its issued and paid up share capital is ₹1,000,000 divided into 100,000 equity shares of ₹10 each.

Shareholding

Our Company holds 50,100 equity shares of ₹10 each aggregating to 50.10% of the issued and paid up share capital of HCG Pinnacle.

5. ***HCG Regency Oncology Healthcare Private Limited (“HCG Regency”)***

Corporate Information

HCG Regency was incorporated on June 10, 2011 under the Companies Act, 1956 as a private limited company under the name of RHL Healthcare Private Limited. The name of the company was subsequently changed to HCG Regency Oncology Healthcare Private Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Kanpur on October 12, 2012. It has its registered office at A2, Sarvodaya Nagar, Kanpur 208 005, Uttar Pradesh.

HCG Regency is authorised to primarily engage in the business of treating persons with cancer, establishing, developing and operating cancer centres.

Capital Structure

The authorised share capital of HCG Regency is ₹150,000,000 divided into 15,000,000 equity shares of ₹10 each and its issued and paid up share capital is ₹100,200,000 divided into 10,020,000 equity shares of ₹10 each.

Shareholding

Our Company holds 5,020,000 equity shares of ₹10 each aggregating to 50.10% of the issued and paid up share capital of HCG Regency.

6. HCG TVH Medical Imaging Private Limited (“HCG TVH”)

Corporate Information

HCG TVH was incorporated on April 3, 2008 under the Companies Act, 1956 as a private limited company. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.

HCG TVH is primarily engaged in the business of carrying on advanced medical imaging in the fields of oncology, cardiology, neurology and other related fields, production, sale, formulation and supply of isotopes and radio pharmaceuticals, operating research facilities and medical service centres, rendering treatment to persons suffering from cancer, and carrying on business as wholesale and retail pharmacists.

Capital Structure

The authorised share capital of HCG TVH is ₹20,000,000 divided into 500,000 equity shares of ₹10 each and 150,000 6% non-cumulative redeemable preference shares of ₹100 each. Its issued and paid up share capital is ₹15,200,000 divided into 50,000 equity shares of ₹10 each and 147,000 preference shares of ₹100 each.

Shareholding

Our Company holds 25,500 equity shares of ₹10 each and 75,000 preference shares of ₹100 each aggregating to 51.02% of the issued and paid up share capital of HCG TVH.

7. HealthCare Global Senthil Multi Specialty Hospitals Private Limited (“HCG Senthil”)

Corporate Information

HCG Senthil was incorporated on April 18, 2005 under the Companies Act, 1956 as a private limited company. It has its registered office at No. 536, Perundurai Road, Erode 638 011, Tamil Nadu.

HCG Senthil is primarily engaged in the business of establishing and operating medical service centres such as nursing care homes, hospitals, polyclinics, laboratories, therapy units, allied consultation cells, research centres, laboratories and diagnostic centres.

Capital Structure

The authorised share capital of HCG Senthil is ₹12,500,000 divided into 125,000 equity shares of ₹100 each and its issued and paid up share capital is ₹9,298,000 divided into 92,980 equity shares of ₹100 each.

Shareholding

Our Company holds 92,880 equity shares of ₹100 each aggregating to 99.90% of the issued and paid up share capital of HCG Senthil. Our Promoter, Dr. BS Ajai Kumar holds 100 equity shares of ₹100 each aggregating to 0.10% of the issued and paid up share capital of HCG Senthil beneficially in favour of our Company.

8. ***Malnad Hospital and Institute of Oncology Private Limited (“Malnad Hospital”)***

Corporate Information

Malnad Hospital was incorporated on April 23, 1997 under the Companies Act, 1956 as a private limited company. It has its registered office at No. 600/601, Irwin Road, Mysuru 570 001, Karnataka.

Malnad Hospital is primarily engaged in the business of operating research centres, hospitals, laboratories, scanning and diagnostic centres and medical service centres and carrying on business of manufacturing pharmaceuticals and medical amenity centres.

Capital Structure

The authorised share capital of Malnad Hospital is ₹15,000,000 divided into 150,000 equity shares of ₹100 each and its issued and paid up share capital is ₹9,495,600 divided into 94,956 equity shares of ₹100 each.

Shareholding

Our Company holds 66,706 equity shares of ₹100 each aggregating to 70.25% of the issued and paid up share capital of Malnad Hospital.

9. ***MIMS HCG Oncology Private Limited (“MIMS HCG”)***

Corporate Information

MIMS HCG was incorporated on December 13, 2007 under the Companies Act, 1956 as a private limited company. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.

MIMS HCG is authorised to primarily engage in the business of treating persons with cancer, training persons in the treatment of cancer, carrying out research therein, medical service centres and carrying on business as wholesale and retail pharmacists.

Capital Structure

The authorised share capital of MIMS HCG is ₹20,000,000 divided into 2,000,000 equity shares of ₹10 each and its issued and paid up share capital is ₹500,000 divided into 50,000 equity shares of ₹10 each.

Shareholding

Our Company holds 49,990 equity shares of ₹10 each aggregating to 99.98% of the issued and paid up share capital of MIMS HCG. Our Promoter, Dr. BS Ajai Kumar holds 10 equity shares of ₹10 each aggregating to 0.02% of the issued and paid up share capital of MIMS HCG beneficially in favour of our Company.

Our Subsidiaries in Mauritius

1. ***HCG (Mauritius) Pvt. Ltd. (“HCG Mauritius”)***

Corporate Information

HCG Mauritius was incorporated on May 22, 2015 under the Companies Act, 2001 of Mauritius as a private limited company. It has its registered office at St Louis Business Centre, Cnr Desroches and St Louis Streets, Port Louis, Mauritius.

HCG Mauritius is primarily engaged in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology.

Capital Structure

The authorised share capital of HCG Mauritius is USD 2 divided into 2 equity shares of USD 1 each.

Shareholding

Our Company holds 2 equity shares of USD 1 each aggregating to 100% of the issued and paid up share capital of HCG Mauritius.

2. *HealthCare Global (Africa) Pvt. Ltd. (“HCG Africa”)*

Corporate Information

HCG Africa was incorporated on May 22, 2015 under the Companies Act, 2001 of Mauritius as a private limited company. It has its registered office at St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Mauritius.

HCG Africa is authorised to primarily engaged in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology.

Capital Structure

The authorised share capital of HCG Africa is USD 2 divided into 2 equity shares of USD 1 each.

Shareholding

HCG Mauritius holds 2 equity shares of USD 1 each aggregating to 100% of the issued and paid up share capital of HCG Africa.

Our Subsidiaries in Africa

1. *HealthCare Global (Uganda) Private Limited (“HCG Uganda”)*

Corporate Information

HCG Uganda was incorporated on January 16, 2013 under the Companies Act (Chapter 110), Laws of Uganda as a private limited company. It has its registered office at Suite 13, 3rd floor, plot 2, Bombo Road, City Apartments, PO Box 31176, Kampala, Uganda.

HCG Uganda is primarily engaged in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology.

Capital Structure

The authorised share capital of HCG Uganda is UGX 249,000,000 divided into 124,500 equity shares of UGX 2,000 each and its issued and paid up share capital is UGX 145,000,000 divided into 72,500 equity shares of UGX 2,000 each.

Shareholding

Our Company holds 72,430 equity shares of UGX 2,000 each aggregating to 99.90% of the issued and paid up share capital of HCG Uganda.

2. *HealthCare Global (Kenya) Private Limited (“HCG Kenya”)*

Corporate Information

HCG Kenya was incorporated on February 4, 2013 under the Companies Act (Chapter 486), Laws of Kenya as a private limited company. It has its registered office at LR 209/11260, Kenya-Re Towers, Upper Hill, off Ragati Road, Nairobi 124 300 100, Kenya.

HCG Kenya is primarily engaged in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology.

Capital Structure

The authorised share capital of HCG Kenya is KES 16,000,000 and its issued share capital is KES 15,700,040.

Shareholding

Our Company holds 785,001 equity shares aggregating to 99.90% of the issued and paid up share capital of HCG Kenya.

3. ***HealthCare Global (Tanzania) Private Limited (“HCG Tanzania”)***

Corporate Information

HCG Tanzania was incorporated on February 6, 2014 under the Companies Act, 2002 of Tanzania as a private limited company. It has its registered office at Regency Medical Centre, Alykhan Road, Upanga, PO Box 2029, Daar es Salaam Tanzania.

HCG Tanzania is primarily engaged in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology.

Capital Structure

The authorised and issued share capital of HCG Tanzania is TZS 1,800,000 divided into 18,000 ordinary shares of TZS 100 each.

Shareholding

Our Company holds 17,999 equity shares of TZS 100 each aggregating to 99.99% of the issued and paid up share capital of HCG Tanzania.

Partnership Firms

Our Company is not a partner in any partnership firm. Details of our investments in limited liability partnership firms are as follows:

1. ***APEX HCG Oncology Hospitals LLP (“APEX HCG LLP”)***

Corporate Information

APEX HCG LLP was incorporated on May 31, 2013 under the LLP Act as a limited liability partnership firm. It has its registered office at Vaishali Heights, Wing “A”, Chandawarkar Road, Borivali West, Mumbai 400 092, Maharashtra.

APEX HCG LLP is primarily engaged in the business of treating persons with cancer, carrying on research and training persons in scientific methods of cancer treatment.

Capital Contribution

The initial capital contribution in respect of APEX HCG LLP is ₹6,250,000, of which our Company’s contribution is ₹3,131,250 aggregating to 50.10% of the total contribution.

2. ***HCG EKO Oncology LLP (“HCG EKO LLP”)***

Corporate Information

HCG EKO LLP was incorporated on May 15, 2015 under the LLP Act as a limited liability partnership firm. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.

HCG EKO LLP is authorised to primarily engage in the business of setting up hospitals at Kolkata with high end linear accelerators, oncology pharmacy and matters incidental and ancillary thereto.

Capital Contribution

The proposed initial capital contribution in respect of HCG EKO LLP is ₹1,000,000, of which our Company's contribution will be ₹505,000 aggregating to 50.50% of the total contribution.

3. ***HCG NCHRI Oncology LLP ("HCG NCHRI LLP")***

Corporate Information

HCG NCHRI LLP was incorporated on September 3, 2014 under the LLP Act, 2008 as a limited liability partnership firm. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.

HCG NCHRI LLP is authorised to primarily engage in the business of providing treatment to cancer patients, to carry on research in the field of oncology and to train various persons in scientific methods of cancer treatment.

Capital Contribution

The proposed initial capital contribution in respect of HCG NCHRI LLP is ₹1,000,000, of which our Company's contribution will be ₹510,000 aggregating to 51.00% of the total contribution.

4. ***HCG Oncology LLP***

Corporate Information

HCG Oncology LLP was incorporated on November 29, 2014 under the LLP Act as a limited liability partnership firm. It has its registered office at No. 1, Maharashtra Society, near Mithakhali Six Road, Ellisbridge, Ahmedabad 380 006, Gujarat.

HCG Oncology LLP is authorised to primarily engage in the business of setting up an oncology hospital with high end infrastructure including but not limited to LINAC, HDR, PET CT, major OT, rooms and other allied facilities

Capital Contribution

The proposed initial capital contribution in respect of HCG Oncology LLP is ₹500,000, of which our Company's contribution will be ₹370,000 aggregating to 74.00% of the total contribution.

5. ***HealthCare Diwan Chand Imaging LLP ("HCG Diwan Chand LLP")***

Corporate Information

HCG Diwan Chand LLP was incorporated on October 15, 2009 under the LLP Act as a limited liability partnership firm. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.

HCG Diwan Chand LLP is primarily engaged in the business of carrying on radiology/imaging and PET CT scans.

Capital Contribution

The capital contribution in respect of HCG Diwan Chand LLP is ₹1,000,000, of which our Company's contribution is ₹750,000 aggregating to 75.00% of the total contribution.

6. ***Strand-Triesta Cancer Genomics LLP ("Strand-Triesta LLP")***

Corporate Information

Strand-Triesta LLP was incorporated on November 9, 2014 under the LLP Act as a limited liability partnership firm. It has its registered office at 591/11, 3rd Main Road, Sadashivnagar, Bengaluru 560 080, Karnataka.

Strand-Triesta LLP is authorised to primarily engage in the business of conducting genomic testing in cancer diagnosis and treatment based on next generation sequencing technologies, marketing, selling

and distributing genomic testing in cancer diagnosis and treatment and undertaking clinical and molecular biology related activities.

Capital Contribution

The proposed capital contribution in respect of Strand Triesta LLP is ₹500,000, of which our Company's contribution will be ₹150,000 aggregating to 30.00% of the total contribution.

Summary of Key Agreements and Shareholders' Agreements

Shareholders Agreements with our Company

Amended shareholders agreement dated May 16, 2015 by and amongst our Company, Dr. BS Ajai Kumar, V-Sciences, PIOF, MPEF and MAT

Our Company has entered into an amended shareholders agreement dated May 16, 2015 with our Promoter Dr. BS Ajai Kumar, V-Sciences, PIOF, MPEF and MAT. This agreement sets out the rights and obligations of parties to the agreement and supercedes all previous shareholders agreements executed by the parties to this agreement with our Company. Pursuant to the terms of this agreement, the investors have been granted certain rights including anti-dilution rights, right to appoint directors on the Board of our Company, information rights, tag along rights, drag along rights and right of first refusal on certain transfers. The investors have also been granted affirmative voting rights on certain matters including amendments to charter documents and appointment and removal of key managerial personnel. Further, our Promoter, Dr. BS Ajai Kumar has agreed to devote his full time to our Company for two years from the date of the initial public offering by our Company as a whole time employee of our Company. Our Company is required to provide an exit to the investors by September 30, 2015 failing which the investors may require our Company to buy back the shares or exercise a drag along right on Dr. BS Ajai Kumar. The investors have granted an extension up to March 31, 2016 for our Company to provide such exit. Further, the agreement imposes certain restrictive covenants on our Company such as the requirement to obtain the prior consent of the investors to issue further capital (other than pursuant to the Offer), non compete obligations on our Promoter, Dr. BS Ajai Kumar, some of our directors and key employees. All rights granted to the investors pursuant to this agreement shall fall away on listing of the Equity Shares.

Share Subscription Agreement dated February 3, 2010 entered into amongst MPEF, MAT, Dr. BS Ajai Kumar and our Company

Our Company has entered into a share subscription agreement dated February 3, 2010 with MPEF, MAT and Dr. BS Ajai Kumar pursuant to which MPEF has subscribed to 4,073,107 Equity Shares and 1,221,932 warrants and MAT has subscribed to 104,439 Equity Shares and 31,332 warrants for an aggregate consideration of ₹312 million. All warrants have been converted to an equal number of Equity Shares on September 22, 2010. For further details, see "Capital Structure" on page 74.

Share Subscription Agreement dated March 1, 2013 entered into amongst V-Sciences, PIOF, MPEF, MAT, Dr. BS Ajai Kumar and our Company

Our Company has entered into a share subscription agreement dated March 1, 2013 with V-Sciences, PIOF, MPEF, MAT and Dr. BS Ajai Kumar pursuant to which V-Sciences has subscribed to 5,421,034 Equity Shares, MPEF has subscribed to 438,845 Equity Shares, MAT has subscribed to 12,907 Equity Shares and PIOF has subscribed to 2,710,298 Equity Shares for an aggregate consideration of approximately ₹950 million.

Shareholders Agreements with Subsidiaries

Share Purchase and Shareholders' Agreement dated July 19, 2007 entered into by and amongst our Company, HCG Medi-Surge, Dr. Tejus Naik, Dr. Jagdish Kothari, Dr. Kaustubh Patel, Dr. Sanjeev Mehta, Dr. Nagesh Bhandari and other shareholders of HCG Medi-Surge.

Our Company has entered into a share purchase and shareholders' agreement dated July 19, 2007 with HCG Medi-Surge, Dr. Tejus Naik, Dr. Jagdish Kothari, Dr. Kaustubh Patel, Dr. Sanjeev Mehta, Dr. Nagesh Bhandari and other shareholders of HCG Medi-Surge pursuant to which our Company has purchased 2,271,000 equity shares aggregating to 100% of the shareholding of HCG Medi-Surge at a consideration of ₹43.38 per share.

Shareholders' Agreement dated March 28, 2012 entered into by and amongst our Company, HCG Medi-Surge and AOPL

Our Company has entered into a shareholders' agreement dated March 28, 2012 with HCG Medi-Surge and AOPL and agreed to maintain their shareholding in HCG Medi-Surge in the ratio of 74:26. This agreement sets out the rights and obligations of our Company and AOPL as shareholders of HCG Medi-Surge and the terms of the demerger of the multispecialty division of HCG Medi-Surge into our Company. Further, AOPL has agreed to continue to work as an exclusive surgical oncology group at HCG Medi-Surge. AOPL has agreed that its shareholders would only constitute oncology professionals, their families, friends and relatives for a period of five years from the date of this agreement or till such time that our Company makes an initial public offering, whichever is earlier after which AOPL will be free to allot its shares to any other person.

The agreement imposes certain non-compete obligations for conducting business in the field of oncology in Gujarat. Further, HCG Medi-Surge is not permitted to take decisions on a list of reserved matters without the prior consent of our Company and AOPL. Such reserved matters *inter-alia* include amendments to charter documents, declaration of dividend, approval or material contracts etc. This agreement sets out certain restrictions on transfer of shares by the shareholders and provides both shareholders with tag along rights, drag along rights, and a right of first refusal. Our Company along with HCG Medi-Surge is required to provide AOPL an exit on (i) the expiry of five years from the date of this agreement, or (ii) on a material breach of this agreement by our Company or HCG Medi-Surge each an 'exit trigger event'. By letter dated April 17, 2015, it has been agreed that upon the occurrence of an exit trigger event, AOPL would be entitled to exercise a put option on our Company. Further, AOPL has waived all share swap rights that it was entitled to under the agreement. If however, the listing of our Equity Shares is not completed by June 30, 2016, the waiver provided under the letter will lapse and the original terms of the agreement will be reinstated. This agreement shall *inter-alia* terminate on the merger of HCG Medi-Surge with our Company or on our Company or AOPL ceasing to hold at least 15% or 5% respectively in HCG Medi-Surge.

Shareholders' Agreement dated March 22, 2013 entered into amongst our Company, BACC Healthcare and Dr. Kamini Rao

Our Company has entered into a shareholders' agreement dated March 22, 2013 with BACC Healthcare and Dr. Kamini Rao. This agreement sets out the rights and obligations of our Company and Dr. Kamini Rao as shareholders of BACC Healthcare. In the event that either Dr. Kamini Rao or our Company propose to transfer any of their shares in BACC Healthcare to a third party, the non-transferring shareholder will have a right of first refusal. In the event that the non-transferring shareholder does not exercise the right of first refusal, the non transferring shareholder may choose to exercise the right to tag along its shares with the transferring shareholder. At any time after the expiry of five years from the closing date as set out under this agreement and prior to the expiry of eight years from the closing date, Dr. Kamini Rao has the right to exercise a put option on our Company. If Dr. Kamini Rao does not exercise her put option within the specified time period, our Company shall have the right to exercise a call option on Dr. Kamini Rao. Our Company and Dr. Kamini Rao will be entitled to nominate two directors on the board of BACC Healthcare each. The affirmative consent of Dr. Kamini Rao as well as our Company will be required on certain reserved matters as listed out in the agreement. Such matters include amendments to charter documents and declaration of dividend. Upon the occurrence of an event of default, our Company could exercise a put option or a call option on Dr. Kamini Rao, we would also be entitled to majority representation on the board of BACC Healthcare. The agreement also imposes certain non-compete obligations on Dr. Kamini Rao and our Company with respect to conducting business in the field of fertility. Until such time that we transfer 75% of our shareholding in BACC Healthcare to a third party or until our shareholding in BACC Healthcare falls below 10%, we are required to carry out our fertility related business exclusively through BACC Healthcare.

Shareholders' Agreement dated July 21, 2015, entered into by and amongst our Company, HCG Mauritius, HCG Africa and CDC Group PLC.

Our Company has entered into a shareholders' agreement dated July 21, 2015, with HCG Mauritius, HCG Africa and CDC Group PLC. Pursuant to the terms of this agreement, HCG Mauritius has agreed to subscribe to 5,000,000 ordinary shares and such number of Series A preferential shares aggregating to 58% of the preference share capital and CDC Group PLC has agreed to subscribe to such number of series B preference shares aggregating to 42% of the preference share capital of HCG Africa on completion of certain conditions precedent. CDC Group PLC and HCG Mauritius have agreed to make additional investments in HCG Africa as per business requirements. Our Company has agreed that it shall not be entitled to receive any profits or revenues in relation to the business undertaken by HCG Africa other than through our shareholding in HCG

Africa.

Pursuant to the terms of this agreement, HCG Africa is not permitted to take decisions on a list of reserved matters without the prior approval of CDC Group PLC. Such matters include amendments to charter documents, approval of material contracts etc. CDC Group PLC and HCG Mauritius have been granted pre-emptive rights on any further increase in capital by HCG Africa, the agreement also prescribes certain transfer restrictions and grants CDC Group PLC a right of first refusal in case of transfer of shares by HCG Mauritius and provides HCG Mauritius a right of first refusal in case of a transfer of shares by CDC Group PLC in the first three years after completion of the conditions precedent and a right of first offer in case of a transfer of shares by CDC Group PLC after three years. HCG Africa is required to provide CDC Group PLC an exit by the seventh anniversary of the effective date of the agreement, failing which CDC Group PLC will be entitled to exercise a put option on HCG Mauritius. Further, it has been agreed that in an event of default by HCG Mauritius of its obligations under the agreement, CDC Group PLC may require our Company to fulfil such obligations as if our Company was the principal obligor.

Limited Liability Partnership Agreements

Limited Liability Partnership Agreement dated September 23, 2009 entered into between our Company and Diwan Chand Medical Services Private Limited as amended by Amendment Agreement dated July 5, 2013

Our Company has entered into a limited liability partnership agreement dated September 23, 2009 with Diwan Chand Medical Services Private Limited pursuant to which HCG Diwan Chand LLP was set up in the ratio of 75:25 in order to enter into the business of operating radiology services and PET-CT scan services. Pursuant to the terms of this agreement, the obligations of Diwan Chand Medical Services Private Limited *inter-alia* include managing the facilities of the SMH DCA Imaging Centre and the Diwan Chand Aggarwal PET CT Centre and supplying fluoro-de-oxy glucose to the PET CT Centre at Delhi. All matters in relation to the limited liability partnership is to be decided by majority vote of the partners. The partners are not permitted to disclose any information in relation to the affairs of the LLP, or assign any of its rights under the agreement without the prior written consent of the other party. The agreement imposes non-solicit obligations and non-compete obligations on parties to the agreement on business operations in the National Capital Territory of Delhi.

Limited Liability Partnership Agreement dated April 18, 2013 entered into between our Company and Apex Criticare LLP

Our Company has entered into a limited liability partnership agreement dated April 18, 2013 with Apex Criticare LLP pursuant to which APEX HCG LLP was set up in the ratio of 50.10:49.90 in order to operate a comprehensive oncology hospital in Borivali, Mumbai. The profits and losses of the limited liability partnership shall be shared by the partners in proportion to their capital contribution for a period of three years from the completion of HCG APEX Hospital. For the following three years, our Company shall be entitled to 49.90% of the profits and losses of the limited liability partnership and Apex Criticare LLP shall be entitled to the remaining. Thereafter the partners shall be entitled to an equal share of the profits and losses. All matters in relation to the limited liability partnership are to be decided by majority vote of the partners. The affirmative vote of all the partners nominated by our Company and Apex Criticare LLP would be required in respect of certain reserved matters as listed out under this agreement. In the event that either partner chooses to exit from the limited liability partnership, the other partner will be entitled to the first right to purchase the interest of the exiting partner. The partners are not permitted to disclose any information in relation to the affairs of the LLP, or assign any of its rights under the agreement without the prior written consent of the other party. The agreement also imposes certain non-solicit obligations and non-compete obligations on parties to the agreement on business operations within a radius of 1.5 kilometres from the centre in Mumbai.

Limited Liability Partnership Agreement dated September 5, 2014 entered into between our Company and Nagpur Cancer Hospital and Research Institute Private Limited

Our Company has entered into a limited liability partnership agreement dated September 5, 2014 with Nagpur Cancer Hospital and Research Institute Private Limited and Dr. Ajay Mehta pursuant to which HCG NCHRI LLP was set up in the ratio of 51:11:38 in order to operate a comprehensive oncology hospital in Mouze Wanjiri, Nagpur, Maharashtra. The interests of the partners are in proportion to their capital contribution. This agreement stipulates that the terms of the medical practice of Dr. Ajay Mehta and Dr. Suchitra Mehta in Nagpur, Maharashtra. Further, all clinical trial and research related work pertaining to oncology carried out by Nagpur Cancer Hospital and Research Institute Private Limited, Dr. Ajay Mehta and Dr. Suchitra Mehta shall be carried out through the limited liability partnership. All matters in relation to the limited liability partnership is to be

decided by majority vote of the partners. The affirmative vote of Dr. Ajay Mehta and one partner nominated by our Company would be required in respect of certain reserved matters as listed out under this agreement. In the event that any partner chooses to exit from the limited liability partnership, the remaining partners shall have the first right to purchase the interest of the exiting partner. The partners are not permitted to disclose any information in relation to the affairs of the limited liability partnership, or assign their rights under the agreement without the prior written consent of the other party. The agreement imposes non-solicit obligations and non-compete obligations on parties to the agreement on business operations in Maharashtra.

Limited Liability Partnership Agreement dated December 24, 2014 entered into between our Company and Dr. Rajiv Gopinath Bhatt

Our Company has entered into a limited liability partnership agreement dated December 24, 2014 with Dr. Rajiv Gopinath Bhatt pursuant to which HCG Oncology LLP was set up in the ratio 74:26 in order to operate a comprehensive oncology hospital in Vadodara. All matters in relation to the limited liability partnership is to be decided by majority vote of the partners. The affirmative vote of both the partners would be required in respect of certain reserved matters as listed out under this agreement. In the event that either partner chooses to exit from the limited liability partnership, the other partner will be entitled to the first right to purchase the interest of the exiting partner. The partners are not permitted to disclose any information in relation to the affairs of the LLP, or assign any of its rights under the agreement without the prior written consent of the other party. The agreement also imposes certain non-solicit obligations and non-compete obligations on parties to the agreement on business operations in Gujarat.

Limited Liability Partnership Agreement dated July 7, 2015 entered into between our Company and Strand Life Sciences Private Limited

Our Company has entered into a limited liability partnership agreement dated July 7, 2015 with Strand Life Sciences Private Limited pursuant to which Strand Triesta LLP was set up in the ratio 30:70 in order to conduct genomic testing in cancer diagnosis based on next generation sequencing technologies. All matters in relation to the limited liability partnership is to be decided unanimously. The partners are not permitted to disclose any confidential information in relation to the business affairs of the LLP, or assign any of its rights under the agreement without the prior written consent of the other party.

Limited Liability Partnership Agreement dated June 15, 2015 entered into between our Company and EKO Diagnostic Private Limited

Our Company has entered into a limited liability partnership agreement dated June 15, 2015 with EKO Diagnostic Private Limited pursuant to which HCG EKO LLP was set up in the ratio 50.50:49.50 in order to provide oncology centres, medical oncology, radiation oncology and related services in Kolkata. Our Company is entitled to nominate three partners and EKO Diagnostic Private Limited is entitled to nominate two partners. Certain matters may only be decided by the unanimous consent of all partners. Such matters include changing the scope of business of the LLP and entering into contracts with related parties of the partners. The partners are not permitted to disclose any confidential information in relation to the business affairs of the LLP, or assign any of its rights under the agreement without the prior written consent of the other party.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not more than 15 Directors and not less than three Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 10 Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
1.	Dr. BS Ajai Kumar <i>Father's name:</i> B Sadashivaiah <i>Designation:</i> Chairman and Chief Executive Officer <i>Address:</i> 850, Park House, Mirza Road Nazarbad Mysuru 570 010 Karnataka, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Four years from July 1, 2015 <i>DIN:</i> 00713779	63	Other Directorships: - BACC Healthcare - HCG Kenya - HCG Medi-Surge - HCG Pinnacle - HCG Regency - HCG Tanzania - HCG TVH - HCG Uganda - Healthcare Process Solutions (India) Private Limited - KDCPL - Malnad Hospital - SSDURCPL - SSHDDUA - SSTRI Partnerships: - GMH LLP - HCG Diwan Chand LLP - HCG Oncology LLP - Strand-Triesta LLP - Malnad LLP Trusteeships: - HCG Foundation - The Bharath Charitable Cancer Hospital and Institute - International Human Development and Upliftment Academy - JSS Bharath Charitable Trust
2.	Gangadhara Ganapati <i>Father's name:</i> T Gangadharan <i>Designation:</i> Non-Executive Director <i>Address:</i> 2671 Marshall Drive Palo Alto CA 94303 United States of America <i>Occupation:</i> Professional <i>Nationality:</i> American <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 00489200	49	Other Directorships: - BACC Healthcare Trusteeships: - HCG Foundation

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
3.	Prakash Parthasarathy Father's name: Parthasarathy Ramaswamy Sarukkai Designation: Non-Executive, Nominee Director Address: No. 5B, EPIP Zone Behind SAP Labs Whitefield Bengaluru 560 048 Karnataka, India Occupation: Business Nationality: Indian Term: Liable to retire by rotation DIN: 02011709	44	Other Directorships: - Fab India Overseas Private Limited - NSE
4.	Dr. Jennifer Gek Choo Lee Father's name: Hee Seng Lee Designation: Non-Executive, Nominee Director Address: 206, Ocean Drive 05-08 Singapore 098 267 Occupation: Professional Nationality: Singaporean Term: Liable to retire by rotation DIN: 01095502	62	Other Directorships: - Agency for Integrated Care Pte Limited - Bumrungrad International Limited - Lien Centre for Palliative Care - MOH Holdings Pte Limited - Somnetics Global Pte Limited - The Esplanade Co Limited - The Gentle Warriors Trust Limited - Whiterock Medical Company Pte Limited
5.	Rajesh Singhal Father's name: Kedarmal Singhal Designation: Non-Executive, Nominee Director Address: C-302, Lakshchandi Heights, Gokuldham Goregaon (East) Mumbai – 460 063 Maharashtra, India Occupation: Professional Nationality: Indian Term: Liable to retire by rotation DIN: 01415174	44	Other Directorships: - AIM Education Private Limited - Capricorn Food Products India Limited - IBOF Investment Management Private Limited - IMS Learning Resources Private Limited - Resonance Eduventures Private Limited

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
6.	Sudhakar Rao Father's name: Rama Rao Designation: Non-Executive, Independent Director Address: Apartment D I Floor Spring Leaf Apartments No. 6 Brunton Cross Road Bengaluru 560025 Karnataka, India Occupation: Professional Nationality: Indian Term: Five years from February 25, 2015 DIN: 00267211	67	Other Directorships: • BFSI Sector Skill Council of India • BSE Institute Limited • BSE Limited • CMC Limited • Common Purpose India • Deccan Heritage Foundation India • GMR Varalakshmi Foundation • IFFCO-Tokyo General Insurance Co. Limited • L&T Infrastructure Development Projects Limited • Nitesh Estates Limited • Nitstone Wastemanagment Private Limited • United Spirits Limited
7.	Shanker Annaswamy Father's name: Annaswamy Swaminathan Designation: Non-Executive, Independent Director Address: Villa No A-265 East Drive Prestige Ozone Whitefield Main Road Whitefield Bengaluru 560 066 Karnataka, India Occupation: Service Nationality: Indian Term: Five years from February 25, 2015 DIN: 00449634	59	Other Directorships • Credit Information Bureau (India) Limited
8.	Sampath Thattai Ramesh Father's name: Narasimha Thattai Ramanujam Designation: Non-Executive, Independent Director Address: No. 5 Classic Orchids Behind Meenakshi Temple PH-2 Kothanur Village, off BGT Bengaluru 560 076 Karnataka, India	64	Other Directorships: Nil

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	Occupation: Retired IPS officer Nationality: Indian Term: Five years from May 29, 2015 DIN: 03522398		
9.	Suresh Chandra Senapaty Father's name: Talasu Narayanmurthy Senapaty Designation: Non-Executive, Independent Director Address: 301, Brigade Lavelle I Lavelle Road Bengaluru 560 001 Karnataka, India Occupation: Consultant Nationality: Indian Term: Five years from May 29, 2015 DIN: 00018711	58	Other Directorships: • Cimplyfive Corporate Secretarial Services Private Limited • International Tax Research & Analysis Foundation • Wipro Enterprises Private Limited • Wipro GE Healthcare Private Limited
10.	Bhushani Kumar Father's name: Narayan Rao Ramchandra Rao Designation: Non-Executive, Independent Director Address: No. 13/6, 6th cross, Ashok Nagar Banashankari 1st stage Bengaluru 560 050 Karnataka, India Occupation: Advocate Nationality: Indian Term: Five years from May 29, 2015 DIN: 07195076	59	Other Directorships: Nil

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Dr. BS Ajai Kumar is the Chairman and Chief Executive Officer of our Company. He has been a Director of our Company since March 7, 2000. He was re-appointed as the Chief Executive Officer with effect from July 1,

2015. He holds a bachelor's degree in Medicine and Surgery from St. John's Medical College, Bengaluru, India. He completed his residency in Oncology from the University of Virginia Hospital, Charlottesville and his residency in Radiotherapy from the University of Texas System Cancer Centre, MD Anderson Hospital and Tumour Institute, Texas, United States of America. He has been awarded the Ernst and Young Entrepreneur of the Year Award for the start-up category in healthcare and the BC Roy Award by the Indian Science Monitor. He has also been awarded the CII Regional Emerging Entrepreneurs Award for the contribution made by our Company in the field of healthcare.

Gangadhara Ganapati is a Non-Executive Director of our Company. He has been a Director of our Company since December 21, 2005. He holds a bachelor's degree in Mechanical Engineering from the Indian Institute of Technology, Madras, and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He also holds a master's degree in Business Administration from the Wharton School, University of Pennsylvania. In the past, he has worked as the managing director of Adamas India Pharmaceuticals Private Limited, and as vice president, corporate development of NeuroMolecular Pharmaceuticals, Inc. He founded Triesta Sciences, Inc. and served as its chief executive officer from 2002 until 2006. He served in the Tata Administrative Service at Tata Industries Limited from 1990 to 1994.

Prakash Parthasarathy is a Non-Executive Director of our Company. He has been a Director of our Company since April 23, 2008. He holds a bachelor's degree in Computer Science from the Birla Institute of Technology and Sciences, Pilani and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. He also serves as the chief investment officer of PremijiInvest and its affiliates and is a director on the boards of the NSE and FabIndia Overseas Private Limited.

Dr. Jennifer Gek Choo Lee is a Non-Executive Director of our Company. She has been a Director of our Company since March 7, 2013. She holds a bachelor's degree in Medicine from the University of Singapore and a master's degree in Business Administration from the National University of Singapore. She is also the chairperson of the Agency for Integrated Care Pte Limited which caters to the long term health and social needs of the elderly in Singapore. She is a corporate advisor with Temasek International Advisors Pte Ltd. She serves on the boards of the MOH Holdings Pte Limited, Whiterock Medical Company and Somnetics Global Pte Limited, Esplanade Co. Limited. In the past she has served as the chief executive officer of KK Women's and Children's Hospital, Singapore. She was a nominated member of the Singapore Parliament between 1999 and 2004 and also served as president of the Singapore Council of Women's Organisations between 2002-2004.

Rajesh Singhal is a Non - Executive Director of our Company. He has been a Director of our Company since September 25, 2013. He holds a bachelor's degree in Technology from the Indian Institute of Technology, Bombay and a Post Graduate Diploma in Management from the Indian Institute of Management, Lucknow. He serves on the boards of AIM Education Private Limited, Capricorn Food Products India Limited, IBOF Investment Management Private Limited, IMS Learning Resources Private Limited and Resonance Eduventures Private Limited.

Sudhakar Rao is a Non-Executive, independent Director of our Company. He has been a Director of our Company since February 25, 2015. He holds master's degree in Arts from the Delhi University and a master's degree in Public Administration from the Kennedy School of Government, Harvard University. He is a retired Indian Administrative Service Officer and he has held several posts in the government including the post of the chief secretary to the Government of Karnataka. He has previously been a director on the boards of Indian Oil Corporation Limited, Binani Industries Limited. He has been awarded the Kannada Rajyotsava Award by the Government of Karnataka.

Shanker Annaswamy is a Non-Executive, independent Director of our Company. He has been a Director of our Company since February 25, 2015. He holds a bachelor's degree in Electronics and Communication Engineering from Madras University and a diploma in Management from the All India Management Association, New Delhi. He is experienced in the field of business management. In the past he has been the managing director of IBM India Private Limited, and the regional general manager of IBM in India/South Asia. He has also been the president and chief executive officer of GE Medical Systems, South Asia and the managing director of Wipro-GE Medical Systems. He was an elected member of NASSCOM's Executive Council in the past and he has held the position of the chairman of the National Committee of IP Owners (Confederation of Indian Industry) in 2010 and co-chaired the Confederation of Indian Industry's National Innovation Mission in 2007. In 2009, Business Week magazine listed him as one of India's 50 Most Powerful People. In October 2011, Mr Annaswamy has received a leadership award at the Forbes India Leadership Awards.

Sampath Thattai Ramesh is a Non-Executive, independent Director of our Company. He has been a Director of our Company since May 29, 2015. He has also been awarded a Doctorate in Management from the University of Tumkur. He is a retired civil servant who served in the Karnataka Police Department and the Government of India. He was the former Director General and Inspector General of Police, Karnataka. He has also been the chairman of the National Road Safety Committee on Enforcement. He has received the President's Police Medal for Meritorious Service in 1995 and the President's Police Medal for Distinguished Service in 2007.

Suresh Chandra Senapaty is a Non-Executive, independent Director of our Company. He has been a Director of our Company since May 29, 2015. He holds a bachelor's degree in Commerce from Utkal University and is a member of the Institute of Chartered Accountants of India. He has held several positions at Wipro Limited including that of the chief financial officer. He has also been a director of Wipro Corporation, Wipro GE Healthcare and Wipro Enterprises Limited.

Bhushani Kumar is a Non-Executive, independent Director of our Company. She has been a Director of our Company since May 29, 2015. She holds a bachelor's degree in Science from the University of Mysore, a bachelor's degree in Law from Bangalore University and a master's degree in Law from Bangalore University. She is presently the Secretary at Women's Peace League, Basavanagudi, Bengaluru.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Dr. BS Ajai Kumar

Dr. BS Ajai Kumar was appointed as our Chairman and Chief Executive Officer, pursuant to a Board resolution dated July 14, 2006. He was last re-appointed for a term of four years with effect from July 1, 2015 pursuant to a Board resolution dated May 29, 2015. The Shareholders have approved the re-appointment pursuant to Shareholders resolution dated July 13, 2015. The details of remuneration governing his appointment as set out in the Shareholders resolution dated March 31, 2015 are stated below:

Particulars	Remuneration										
Fixed Remuneration	₹15 million per annum										
Variable Remuneration	The variable remuneration (subject to a maximum of ₹10 million) shall be the following percentage of our Company's consolidated earnings before interest tax depreciation and amortization ("EBITDA") on the basis of our Company's consolidated audited financials: <table> <tr> <th>Actual EBITDA as a % of the approved budget</th><th>Variable Compensation Payable</th></tr> <tr> <td>Less than 80% of the budget</td><td>Nil</td></tr> <tr> <td>Between 80% and 90% of the budget</td><td>0.5% of the EBITDA</td></tr> <tr> <td>Between 90% and 100% of the budget</td><td>1.0% of the EBITDA</td></tr> <tr> <td>Greater than budget</td><td>1.5% of the EBITDA</td></tr> </table>	Actual EBITDA as a % of the approved budget	Variable Compensation Payable	Less than 80% of the budget	Nil	Between 80% and 90% of the budget	0.5% of the EBITDA	Between 90% and 100% of the budget	1.0% of the EBITDA	Greater than budget	1.5% of the EBITDA
Actual EBITDA as a % of the approved budget	Variable Compensation Payable										
Less than 80% of the budget	Nil										
Between 80% and 90% of the budget	0.5% of the EBITDA										
Between 90% and 100% of the budget	1.0% of the EBITDA										
Greater than budget	1.5% of the EBITDA										

In addition to the above, Dr. BS Ajai Kumar is entitled to a special allowance of ₹5.25 million for Financial Year 2015.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2015 are as follows:

1. Remuneration to Executive Directors:

Our Company has paid a sum of ₹26.30 million as remuneration to Dr. BS Ajai Kumar in Financial Year 2015.

2. Remuneration to Non-Executive Directors:

Our Company has paid ₹0.10 million each to Sudhakar Rao and Shanker Annaswamy, our Non-Executive Directors as sitting fees in Financial Year 2015. Other than as disclosed above, our Company has not paid sitting fees to any of our other Non-Executive Directors. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time.

Our Company has, pursuant to a board resolution dated February 25, 2015, fixed the sitting fees payable to our independent Directors in the following manner:

(a) ₹100,000 per meeting for attending the meetings of our Board; and

(b) ₹50,000 per meeting for attending the meetings of the committees of our Board subject to a maximum of ₹100,000 per quarter in a financial year.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Prakash Parthasarathy, Dr. Jennifer Gek Choo Lee and Rajesh Singhal have been nominated to our Board by our Shareholders, NTICPL, V-Sciences and both MPEF and MAT, respectively pursuant to the terms of the amended shareholders agreement dated May 16, 2015. For further details, see “History and Certain Corporate Matters” on page 177.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Pre-Offer Percentage Shareholding (%)
Dr. BS Ajai Kumar	17,825,999	24.47
Gangadhara Ganapati*	2,282,780	3.13

*Gangadhara Ganapati has been issued 1,250,000 options under ESOP 2014 of which 625,000 options have vested and the remaining shall vest upon listing of the Equity Shares

Shareholding of Directors in our Subsidiaries

The shareholding of our Directors in our Subsidiaries as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Subsidiary	Number of Equity Shares	Percentage Shareholding (%)
Dr. BS Ajai Kumar**		
HCG Senthil	100	0.10
MIMS HCG	10	0.02
HCG Uganda	70	0.10
HCG Kenya	1	0.00*
HCG Tanzania	1	0.00*

*Less than 0.01 per cent

** Shares held by Dr. B. S. Ajai Kumar in these Subsidiaries are held beneficially in favour of our Company

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

Our Independent Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may hold positions as directors on boards of our Subsidiaries and Group Entities, as designated partners in our LLPs and as heads of certain business verticals. In consideration for their services, they are paid managerial remuneration in accordance with the provisions of the Companies Act.

Except as stated in “*Related Party Transactions*” on page 219, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares, employee stock options, if any, held by them or Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them or the institutional shareholder they represent.

Other than Dr. BS Ajai Kumar, who is our Promoter, none of our Directors have any interest in the promotion of our Company.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

Except as disclosed in “*Related Party Transactions*” on page 219, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of the Directors is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Dr. BS Ajai Kumar.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/Change/Cessation	Reason
Dr. V Prakash	December 12, 2012	Appointed as Director
Dr. Anula K Jayasuria	March 7, 2013	Resigned as Director
Dr. Jennifer Gek Choo Lee	March 7, 2013	Appointed as Director
Anant Kulkarni	September 3, 2013	Resigned as Director
Rajesh Singhal	September 25, 2013	Appointed as Director
Dr. V Prakash	September 25, 2013	Resigned as Director
Sayed Parvez Mustafa	August 29, 2014	Resigned as Director
Dr. Ganesh Nayak	February 25, 2015	Resigned as Director
Dr. KS Gopinath	February 25, 2015	Resigned as Director
Sudhakar Rao	February 25, 2015	Appointed as additional independent Director and regularised on June 15, 2015
Shanker Annaswamy	February 25, 2015	Appointed as additional independent Director and regularised on June 15, 2015
Sampath Thattai Ramesh	May 29, 2015	Appointed as additional independent Director and regularised on June 15, 2015
Suresh Chandra Senapaty	May 29, 2015	Appointed as additional independent Director and regularised on June 15, 2015

Name	Date of Appointment/Change/Cessation	Reason
Bhushani Kumar	May 29, 2015	Appointed as additional independent Director and regularised on July 13, 2015
Dr. Amit Varma	May 29, 2015	Resigned as Director

Borrowing Powers of Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on September 30, 2014, the Board is authorised to borrow such sum or sums of money or monies, on such terms and conditions and with or without security as the Board of Directors may think fit which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/monies so borrowed by our Board shall not at any time exceed the limit of ₹4,000 million.

Corporate Governance

The corporate governance provisions of the Equity Listing Agreement to be entered into will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law. We are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreement, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies.

Currently, our Board has 10 Directors. In compliance with the requirements of Clause 49 of the Equity Listing Agreement, we have one Executive Director, nine Non-Executive Directors including five independent Directors on our Board. Our Board also has two women Directors.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

In addition to the committees of the Board detailed below, our Board may from time to time, constitute committees for various functions.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are:

1. Suresh Chandra Senapaty, *Chairman*;
2. Sudhakar Rao;
3. Shanker Annaswamy;
4. Rajesh Singhal; and
5. Dr. BS Ajai Kumar.

The Audit and Risk Management Committee was constituted by a meeting of the Board of Directors held on November 30, 2006 and was last re-constituted and renamed as the "Audit and Risk Management Committee" by a meeting of the Board of Directors held on May 29, 2015. The scope and function of the Audit and Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement and its terms of reference include the following:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- d) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions; and
 - vii) Qualifications in the draft audit report.
- f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- g) Scrutiny of inter-corporate loans and investments;
- h) Valuation of undertakings or assets of our Company, wherever it is necessary;
- i) Evaluation of internal financial controls and risk management systems;
- j) Approval or any subsequent modification of transactions of our Company with related parties;
- k) 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;
- l) Approving or subsequently modifying transactions of the Company with related parties;
- m) Scrutinising inter-corporate loans and investments;
- n) Evaluating undertakings or assets of the Company, wherever necessary;
- o) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- p) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- q) 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;
- r) Discussion with internal auditors on any significant findings and follow up thereon;

- s) 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;
- t) 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;
- u) 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;
- v) Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;
- w) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- x) Carrying out any other functions as is mentioned in the terms of reference of the Audit and Risk Management Committee; and
- y) To formulate, review and make recommendations to the Board to amend the Audit and Risk Management Committee charter from time to time.

The powers of the Audit and Risk Management Committee include the following:

- a) To investigate activity within its terms of reference;
- b) To seek information from any employees;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Risk Management Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and result of operations;
- b) Statement of significant related party transactions (as defined by the Audit and Risk Management Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor.

The Audit and Risk Management Committee is required to meet at least four times in a year under Clause 49 of the Equity Listing Agreement.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Shanker Annaswamy, *Chairman*;
2. Sampath Thattai Ramesh;
3. Prakash Parthasarathy; and
4. Dr. Jennifer Gek Choo Lee.

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on July 14, 2006 and was last re-constituted by a meeting of the Board of Directors held on May 29, 2015. The

scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee include:

- a) Formulate 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 and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) 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) Regulations, 2014;
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- k) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

- 1. Gangadhara Ganapati, *Chairman*
- 2. Dr. Jennifer Gek Choo Lee;
- 3. Rajesh Singhal; and
- 4. Dr. BS Ajai Kumar.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on May 29, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Stakeholders' Relationship Committee include the following:

- a) Redressal of shareholders'/investors' grievances;
- b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

- c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- d) Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by our Company to its shareholders; and
- e) Carrying out any other function as prescribed under the Equity Listing Agreement.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

- 1. Sudhakar Rao, *Chairman*
- 2. Sampath Thattai Ramesh;
- 3. Bhushani Kumar; and
- 4. Dr. BS Ajai Kumar.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 29, 2015. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

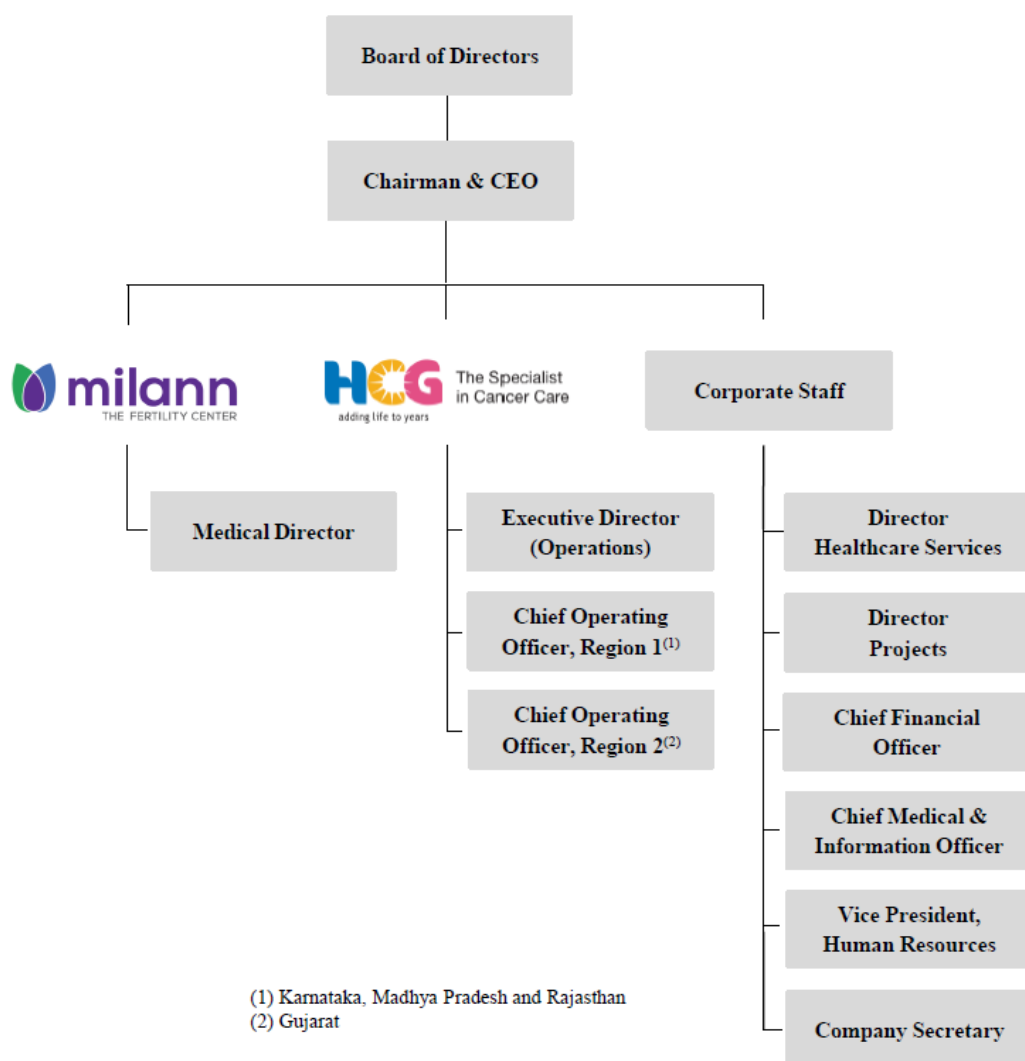
IPO Committee

The members of the IPO Committee are:

- 1. Dr. BS Ajai Kumar, *Chairman*;
- 2. Gangadhara Ganapati;
- 3. Prakash Parthasarathy; and
- 4. Rajesh Singhal.

The IPO Committee was constituted by our Board of Directors on November 12, 2014 and reconstituted by our Board of Directors on May 29, 2015. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company and our Subsidiaries are as follows:

Dr. BS Ajai Kumar is the Chairman and Chief Executive Officer of our Company. For further details, in relation to Dr. BS Ajai Kumar, see “Our Management – Brief Biographies of Directors” on page 196.

A Sadasivam is the executive director (operations) of our Company. He has been with our Company since August 20, 2008. He is qualified as a member of the Institute of Cost and Works Accountants of India. He has over 30 years of business leadership experience. Prior to joining our Company, he served as the managing director of Falcon Tyres Limited and as president of Woolworth (India) Limited and as vice president of Shaw Wallace & Company Limited. He has also worked with Brooke Bond India Limited. He was awarded the Shiromani Vikas Award in 1992. Mr. Sadasivam is responsible for the operations and management of various cancer centres of the HCG network. In addition, he also oversees certain corporate functions including central purchase, project implementation and legal affairs. The remuneration paid to him in Financial Year 2015 was ₹10.82 million.

Dr. Mudit Saxena is the chief operating officer, Karnataka, Madhya Pradesh and Rajasthan of our Company. He has been with our Company since April 24, 2012. He received his MBBS from the University of Rajasthan, Jaipur and his master’s degree in Hospital Administration from the Administrative Staff College of India. He has also completed the executive general management programme from the Indian Institute of Management, Bangalore. He has over 14 years of experience in the field of hospital management and administration. Prior to joining our Company, he served as programme director of Fortis Health Management (North) based in Gurgaon.

Previously he had served at Wockhardt Hospitals in Bengaluru as centre manager and as manager-medical services. He has also worked as director - administration at Monilek Hospital and Research Centre, Jaipur and as deputy medical superintendent at the Mahatma Gandhi National Institute of Medical Sciences, Jaipur. He is responsible for managing all aspects of the operations of our HCG cancer centres in the states of Karnataka, Madhya Pradesh and Rajasthan, including the management of our centre of excellence in Bengaluru. The remuneration paid to him in Financial Year 2015 was ₹5.85 million.

Dr. Bharat Gadhavi is the chief operating officer, Gujarat of our Company. He has been with our Company since February 16, 2008. He received his MBBS from the Maharaja Sagajirao University of Baroda and his master's degree in Surgery from the Maharaja Sagajirao University of Baroda. He has over 13 years of experience in the field of hospital management and administration. Prior to joining our Company, he has worked as medical director at Sterling Addlife India Private Limited from 2001 to 2007. He is responsible for managing all aspects of the operations of our HCG cancer centres as well as our multi-speciality hospital in the state of Gujarat. The remuneration paid to him by our Company was ₹7.23 million.

Dr. Kamini Rao is the medical director of Milann and has served in this capacity since its inception. She received her MBBS from St. Johns Medical College, Bangalore, a master's degree in Obstetrics and Gynaecology from the University of Liverpool, a diploma in Obstetrics from the Royal College of Physicians of Ireland and a diploma in Child Health from the Royal College of Physicians of Ireland and the Royal College of Surgeons in Ireland. She also holds a post graduate diploma in Medical Law and Ethics from the National Law School of India University, Bengaluru. She has been a practicing consultant in gynaecology and obstetrics and a specialist in fertility medicine for over 30 years. She has served as president of the Federation of Obstetrics and Gynaecology Societies of India. She leads the operations of the Milann fertility centres. She has been admitted as a fellow of the Royal College of Obstetricians and Gynaecologists, the National Academy of Medical Sciences and the Indian College of Obstetricians and Gynaecologists. She was awarded the *Padma Shri* by the President of India in 2014. The remuneration paid to her in Financial Year 2015 was ₹15.00 million.

Dinesh Madhavan is the director of healthcare services of our Company. He has been with our Company since September 14, 2009. He received his bachelor's degree in Law from Bangalore University and a post graduate diploma in Business Administration from St. Joseph's College, Bengaluru. He has 20 years of experience in sales, marketing, business development and general management in healthcare services. Prior to joining our Company, he served as the head of marketing of Wockhardt Hospitals group and as vice president marketing of Hosmat Hospitals. He has also previously worked at Breach Candy Hospital and Apollo Hospitals. He is responsible for the corporate function of brand management of our Company, as well as international business of our Company, including our Africa projects. In addition, he is also responsible for managing the operations of certain cancer centres in the HCG network. The remuneration paid to him in Financial Year 2015 was ₹11.22 million.

Krishnan Subramanian is the chief financial officer of our Company. He has been with our Company since March 12, 2014. He is a member of the Institute of Cost and Works Accountants of India and a member of the Institute of Company Secretaries of India. He has also received a diploma in International Financial Reporting from the Association of Chartered Certified Accountants, UK. He also holds a post-graduate diploma in Business Administration from New Delhi YMCA Institute of Management Studies. He has over 20 years of experience in the field of finance and accounting. Prior to joining our Company, he worked as chief of finance at Fortis Healthcare Limited from 2009 to 2014 and as corporate controller (finance and treasury) at International Travel House Limited (an ITC Group company) from 1994 to 2009. He is responsible for overseeing the overall accounts, finance, budgeting, forecasting and compliances across the group. The remuneration paid to him in Financial Year 2015 was ₹7.05 million.

Anant Kittur is the director (projects) of our Company. He has been with our Company since May 18, 2015. He holds a bachelor's degree in Commerce from Bangalore University, and is a member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was director - imaging sales of GE Healthcare for South Asia and has held several leadership positions at GE Healthcare from 2000 to 2015. He also worked at the Housing Development Finance Corporation Limited from 1998 to 2000. He is responsible for overseeing and initiating new projects of our Company and managing all business development initiatives. Since he joined our Company on May 18, 2015, he was not paid any remuneration in Financial Year 2015.

Dr. Ramachandran Balaji is the chief medical and information officer of our Company. He has been with our Company since February 4, 2015. He received his MBBS from Mangalore University and a diploma in Family Medicine from the National Board of Examinations, New Delhi. He is also a fellow of the IMA College of General Practitioners. He has over 15 years of experience in the field of information technology management.

Prior to joining our Company, he served as a director of Taurus Global Consulting. He has also worked previously at Infosys Technologies in India as well as at Parkway Group Healthcare, IBA Technologies and Eutech Cybernetics in Singapore. He is responsible for planning and executing all aspects of our information management strategy. The remuneration paid to him in Financial Year 2015 was ₹0.70 million.

MC Jayaprakash is the vice president (human resources) of our Company. He has been with our Company since February 26, 2015. He received a master's degree in Personnel Management from the University of Pune. He has over 20 years of experience in the field of human resource management. Prior to joining our Company, he worked as the chief human resource officer (corporate) at Aster DM Healthcare Limited from 2013 to 2015, general manager of Apollo Hospitals from 2010 to 2013, senior partner-human resources at GVK EMRI from 2008 to 2010, senior manager (human resources) at the Bank of Baroda from 1999 to 2008, executive (human resources) at Universal Luggage Manufacturing Company Limited from 1993 to 1995 and as an associate officer personnel at Growel Times Limited from 1991 to 1993. He has also worked as assistant manager (human resources) at Usha Ispat Limited. He is responsible for the human resources at our Company. The remuneration paid to him in Financial Year 2015 was ₹0.40 million.

Dr. Naveen Nagar is the vice president (medical services) of our Company. He has been with our Company since May 20, 2006. He received his MBBS from Bangalore University, his post graduate medical diploma in Oto-rhino-laryngology from the Manipal Academy of Higher Education and his masters degree in Health Administration from the University of New South Wales. He is experienced in the field of establishment and management of hospitals. Prior to joining our Company, he worked as a resident at Nepean Hospital, Sydney, Australia from 2005 to 2006, as surgical registrar to head of medical services at Bangalore Institute of Oncology, from 2003 to 2005 and as senior resident ENT at Manipal Hospital from 1999 to 2002. The remuneration paid to him in Financial Year 2015 was ₹3.52 million.

Sunu Manuel is the company secretary and compliance officer of our Company. She has been with our Company since July 14, 2006. She is a member of the Institute of Company Secretaries of India and received her bachelor's degree in Commerce from Calicut University. The remuneration paid to her in Financial Year 2015 was ₹2.77 million.

None of the Key Management Personnel are related to each other.

With the exception of Dr. Kamini Rao who is a consultant with our Subsidiary, BACC Healthcare and Dr. Ramachandran Balaji who is a consultant with our Company, all the Key Management Personnel are permanent employees of our Company or our Subsidiaries.

Shareholding of Key Management Personnel

The details of the Equity Shares held by our Key Management Personnel as of the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares	Percentage Shareholding (%)
Dr. BS Ajai Kumar	17,825,999	24.47
A Sadasivam	92,000	0.13
Sunu Manuel	15,400	0.02
Dinesh Madhavan	54,200	0.07
Naveen Nagar	25,723	0.04
Bharat Gadhavi	44,080	0.06

Bonus or profit sharing plan of the Key Management Personnel

With the exception of Dr. BS Ajai Kumar, none of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than 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 business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Krishnan Subramanian	Chief Financial Officer	March 12, 2014	Appointment
Viswanathan Palaniappan	Chief Financial Officer	April 1, 2014	Resignation
Dr. Ramachandran Balaji	Chief Medical and Information Officer	February 4, 2015	Appointment
MC Jayaprakash	Vice President – Human Resources	February 26, 2015	Appointment
Anant Kittur	Director - Projects	May 18 2015	Appointment

Payment or Benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years.

Employees

Our Company has adopted ESOP 2010 pursuant to resolutions passed by our Board and our Shareholders dated June 16, 2010 and August 25, 2010 respectively. ESOP 2014 has been adopted pursuant to resolutions passed by our Board on April 1, 2014 and ratified by our Shareholders on July 13, 2015. For further details, see "*Capital Structure*" on page 74.

OUR PROMOTERS

Dr. BS Ajai Kumar, Dr. KS Gopinath, Dr. Ganesh Nayak, Dr. M Gopichand and Dr. BS Ramesh are the Promoters of our Company.



Dr. BS Ajai Kumar

Dr. BS Ajai Kumar, aged 63 years, is the Chairman and Chief Executive Officer of our Company. He is a resident Indian national. For further details, see “*Our Management*” on page 193.

His driving license number is KA5520100005344 and his voter’s identification card number is SLC0418376.



Dr. KS Gopinath

Dr. KS Gopinath, aged 63 years, resides at No. 20, Srinivas, 6th Main, Behind Balaji Kalyana Mantap, BSK 3rd Stage, Bengaluru 560 085. He holds a bachelor’s degree in Medicine and Surgery from JJM Medical College, Davangere, Karnataka, a master’s degree in General Surgery from the Mumbai University, Maharashtra. He is an honorary fellow of the Royal College of Surgeons, Edinburgh, United Kingdom, and has completed his fellowship in General Surgery and Oncology at the International College of Surgeons. He has also been awarded a fellowship at the Memorial Sloan Kettering Cancer Centre. He is experienced in the field of surgical oncology. He has been elected an honorary member of the National Academy of Medical Sciences, India and is a member of the American Society of Clinical Oncology and the Society of Head and Neck Surgeons. He has been awarded the Padma Shree Award by the President of India in 2010, the BC Roy National Award by the Medical Council of India in 2006, the Professor KP Bhargava Memorial Medal from the Indian National Science Academy in 2011 and the Rajyotsava Award in 2005 from the Government of Karnataka, India. In the past he has worked as the head of the department of surgical oncology at Kidwai Memorial Institute of Oncology, Bengaluru and as a resident at the Tata Memorial Centre, between 1977 and 1980. He was the national president of the Association of Surgeons of India in 2006, the national president of the Indian Association of Surgical Oncologists in 2004 and 2005, the vice president of the Indian Society of Oncology from 2000 to 2004. He has also been a director of our Company in from 2006 to 2015.

His driving license number is FDL6364/89 and his voter’s identification card number is WEC2111102.



Dr. Ganesh Nayak

Dr. Ganesh Nayak, aged 72 years, resides at No. 8, 7th Cross, Jakkasandra Block, Koramangala, Bengaluru 560 034. He holds a bachelor's degree in Medicine and Surgery and a master's degree in Surgery from the University of Mysore. He is also a Fellow of the Indian College of Cardiology and a Fellow of the International College of Surgery. He has been awarded the Doctors' Day Award by the Indian Medical Association in 2002. He has been working at Agadi Hospital and Research Centre and PD Hinduja Sindhi Hospital since 1983 as a consultant cardiothoracic and vascular surgeon and at Bhagwan Mahaveer Jain Hospital since 1990 as a consultant cardiothoracic surgeon. He is presently a director of HCG Senthil and MIMS HCG. He has also been a director of our Company from 2005 to 2015.

His driving license number is 2058/88-89. He does not have a voter's identification card.



Dr. M Gopichand

Dr. M Gopichand, aged 52 years, resides at No. 33-25-33/C/1, Chelasani Venkatakrishnaiah Street, Suryaraopet, Vijaywada – 520 002. He holds a bachelor's degree in Medicine and Surgery from the University of Mysore, his master's degree in General Surgery from the Bangalore University, a diploma in General Surgery from the National Board of Examinations, New Delhi and his M Ch. from Bengaluru. He presently also practices at the City Cancer Centre. He was a director of HealthCare Global Vijay Oncology Private Limited which merged with our Company.

His driving license number is 35951995 and the voter's identification card number is TMO0458240.



Dr. BS Ramesh

Dr. BS Ramesh, aged 63 years, resides at Flat No. 206, "B" Block, "Neeladri Mahal", Nandi Durga Road, Bengaluru 560 046. He has completed his MBBS from Bangalore University, he holds a degree of Doctor of Medicine (Radio Therapy), a post graduate diploma in Radio Diagnosis from Bangalore University and a Post Graduate Diploma in Medical Law And Ethics from the National Law School of India University, Bengaluru. He is experienced in the field of radiation oncology. He has worked as a consultant in the department of radio therapy at Sri Devaraj Urs Academy of Higher Education and Research and a professor of Radio Therapy at the MS Ramaiah Medical College, Bengaluru. He was the chairman of the Indian College of Radiation Oncology between 2010 and 2012 and the president of the Association of Radiation Oncologists of India between 2012 and 2014. He has also been the secretary of the Bangalore branch of the Indian Medical Association between 1980 and 1981. He has been awarded the IMA Community Service Award for Individuals by the Indian Medical Association in 2012. He is presently also a director on the boards of HCG Medi-Surge, HCG Senthil and MIMS HCG.

His driving license number is KA05 19750000212 and the voter's identification card number is AKB0421701.

Our Company confirms that the permanent account numbers, bank account numbers and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoters in our Company, see “*Capital Structure*” and “*Our Management*” on pages 74 and 193, respectively.

Interests of Promoters in property of our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

Our Promoters are interested in our Company to the extent of their shareholding in our Subsidiaries and our Group Entities with which our Company transacts during the course of its operations. For details see “*History and Certain Corporate Matters*” and “*Our Group Entities*” on pages 177 and 214, respectively.

Our Promoters, are also interested in our Subsidiaries and Group Entities, which are involved in activities similar to those conducted by our Company. With the exception of BACC Healthcare and DKR Healthcare, there are common pursuits between all our Subsidiaries and our Company. Further, except for KDCPL, there are common pursuits between all of our Group Entities and our Company.

We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details, see “*History and Certain Corporate Matters*”, “*Our Group Entities*” and “*Related Party Transactions*” on pages 177, 214 and 219, respectively.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by such Promoter(s) or by such firm or Company in connection with the promotion or formation of our Company except as disclosed in this Draft Red Herring Prospectus.

Related Party Transactions

For details of related party transactions entered into by our Promoter, Promoter Group, our Company, Subsidiaries and Group Entities during the last financial year, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page 219.

Interest of Promoters in Sales and Purchases

Other than as disclosed in “*Related Party Transactions*” on page 219, there are no sales/purchases between our Company and our Promoter Group, Group Entities, our Subsidiaries and our Associate Companies when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group, our Subsidiaries and Group Entities as on the date of the last financial statements.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in “*Related Party Transactions*”, “*Our Management*” and “*Our Promoters*” on pages 219, 193 and 210 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Dr. BS Ajai Kumar is the Chairman and Chief Executive Officer of our Company and may be deemed to be interested to the extent of any remuneration or reimbursement of expenses payable to him by our Company for attending meetings of our Board or a Committee thereof or to the extent of any remuneration payable to him by our Subsidiaries. For further details, see “*Our Management*” on page 193. Further, Dr. KS Gopinath and Dr.

Ganesh Nayak provide medical consultation to patients at our hospital in Bengaluru in consideration for which they receive consultation fees.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments*” on page 277 of this Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority except as disclosed under “*Outstanding Litigation and Material Developments*” on page 277.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoters, except as disclosed under “*Outstanding Litigation and Material Developments*” on page 277.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Except as disclosed in “*Related Party Transactions*” on page 219, our Promoters are not related to any of the sundry debtors of our Company.

Sick Company

None of our Promoter Group companies have become defunct in the five years preceding the date of this Draft Red Herring Prospectus.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the last three years.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

OUR GROUP ENTITIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The following entities are promoted by our Promoters (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus, are our Group Entities:

A. Details of the five largest Group Entities (based on turnover)

Unless stated otherwise, information in relation to our Group Entities is as on March 31, 2014.

1. Sada Sharada Tumour and Research Institute (“SSTRI”)

SSRTI was incorporated on February 20, 1989 under the Companies Act, 1956 at Bengaluru. SSRTI is engaged *inter alia* in the business of carrying on clinical and investigative research in prevention of cancer, educate the public with regard to different aspects of cancer, and building cancer centres.

Interest of our Promoter

Our Promoter, Dr. BS Ajai Kumar holds 45 equity shares constituting 0.02% of the issued and paid up share capital of SSTRI.

Financial Information

Particulars	(in ₹million, except per share data)		
	For the Financial Year		
	2014	2013	2012
Capital	25.27	21.12	21.12
Reserves (excluding revaluation reserves) and Surplus	45.08	37.10	29.70
Revenue from Operations and Other Income	134.09	124.24	106.46
Profit/(Loss) after Tax	7.98	7.39	6.20
Basic EPS (in ₹)	31.59	35.00	29.33
Diluted EPS (in ₹)	31.59	35.00	29.33
Net asset value per share (in ₹)	278.41	275.62	240.61

2. Malnad Hi-Tech Diagnostic Centre LLP (“Malnad LLP”)

Corporate Information

Malnad LLP was incorporated on June 21, 2010 under the LLP Act at Bengaluru. Malnad LLP is engaged *inter alia* in the business of operating a diagnostic centre in Shimoga.

Interest of our Promoter

Our Promoter, Dr. BS Ajai Kumar shares in the profits and losses of Malnad LLP to the extent of 2.16%.

Financial Information

Particulars	(in ₹million)		
	For the Financial Year		
	2014	2013	2012
Equity Capital	46.20	10.10	11.28
Revenue from Operations and Other Income	75.84	62.12	36.83
Profit/(Loss) after Tax	2.68	3.13	(8.04)

3. Sada Sharada Diagnostic Urology and Rehabilitation Centre Private Limited (“SSDURCPL”)

Corporate Information

SSDURCPL was incorporated on October 4, 1991 under the Companies Act, 1956 at Bengaluru. SSDURCPL is engaged *inter alia* in the business of carrying out research work in the fields of diagnostics, rehabilitation and urology.

Interest of our Promoter

Our Promoter, Dr. BS Ajai Kumar holds 1,050 equity shares of face value ₹100 each constituting 99.06% of the issued and paid up share capital of SSDURCPL.

Financial Information

Particulars	(in ₹million, except per share data)		
	For the Financial Year		
	2014	2013	2012
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and Surplus	(6.06)	(6.79)	(6.93)
Revenue from Operations and Other Income	13.12	9.33	9.82
Profit/(Loss) after Tax	0.73	0.13	0.56
Basic EPS (in ₹)	690.29	124	532
Diluted EPS (in ₹)	690.29	124	532
Net asset value per share (in ₹)	(5,619.33)	(6,309.62)	(6,433.54)

4. **Gutti Malnad Hospital LLP (“GMH LLP”)**

Corporate Information

GMH LLP was incorporated on October 30, 2012 under the LLP Act at Bengaluru. GMH LLP is engaged in the business of setting running multispecialty hospitals to provide medical facilities and also such other business in the field of medicine.

Interest of our Promoter

Our Promoter, Dr. BS Ajai Kumar shares in the profits and losses of GMH LLP to the extent of 17.54%.

Financial Information

Particulars	(in ₹million)		
	For the Financial Year		
	2014	2013	2012*
Capital	10.00	0.90	NA
Revenue from Operations and Other Income	14.55	Nil	NA
Profit/(Loss) after Tax	(2.70)	Nil	NA

* Since GMH LLP was incorporated on October 30, 2012, the financial information for Financial Year 2012 is not available

5. **Kruti Designers and Contractors Private Limited (“KDCPL”)**

Corporate Information

KDCPL was incorporated on January 24, 2005 under the Companies Act, 1956 at Bengaluru. KDCPL is engaged *inter alia* in the business of constructing and designing buildings, houses, office premises, other properties and carrying out any type of construction job works.

Interest of our Promoter

Our Promoter, Dr. BS Ajai Kumar holds 48,000 equity shares of face value ₹10 each constituting 96.00% of the issued and paid up share capital of KDCPL.

Financial Information

(in ₹million, except per share data)

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and Surplus	(0.10)	(0.08)	(0.08)
Revenue from Operations and Other Income	0.00	0.00	0.00
Profit/(Loss) after Tax	(0.01)	(0.01)	(0.00)
Basic EPS (in ₹)	(0.31)	(0.22)	(0.10)
Diluted EPS (in ₹)	(0.31)	(0.22)	(0.10)
Net asset value per share (in ₹)	(7.95)	(8.26)	(8.47)

B. Details of Group Entities with negative net worth

In addition to KDCPL, the following Group Entities have a negative network:

Sada Sharada Human Development and Upliftment Academy (“SSHDUA”)

Corporate Information

SSHDUA was incorporated on September 29, 2000 under Section 25 of the Companies Act, 1956 at Bengaluru. SSHDUA is engaged *inter alia* in the business of running orphanages and promoting social education.

Interest of our Promoter

Our Promoter, Dr. BS Ajai Kumar holds 100 equity shares constituting 50.00% of the issued and paid up share capital of SSHDUA.

Financial Information

(in ₹million, except per share data)

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	0.002	0.002	0.002
Reserves (excluding revaluation reserves) and Surplus	(0.07)	(0.06)	(0.06)
Revenue from Operations and Other Income	0.00	0.00	0.00
Profit/(Loss) after Tax	(0.01)	(0.00)	(0.00)
Basic EPS (in ₹)	(59.97)	(42.77)	(0.11)
Diluted EPS (in ₹)	(59.97)	(42.77)	(0.11)
Net asset value per share (in ₹)	(374.88)	(314.91)	(1.259)

C. Details of other Group Entities

Limited Liability Partnerships

1. Ubiquitous Oncoreach LLP (“Ubiquitous”)

Corporate Information

Ubiquitous was incorporated on September 22, 2014 under the LLP Act at Bengaluru. Ubiquitous is *inter alia* engaged in the business of manufacturing, selling, leasing, hiring, trading and distribution of medical equipment in general and cancer care.

Interest of our Promoter

Our Promoter, Dr. KS Gopinath shares in the profits and losses of Ubiquitous to the extent of 70.00%.

Trusts

2. HCG Foundation (Public Charitable Trust)

Information

HCG Foundation, a charitable trust was set up pursuant to the deed of trust dated December 4, 2006. The object of the trust is *inter alia* to provide assistance for treatment to children in India who are suffering from the disease of cancer of any other life threatening diseases.

Interest of our Promoters

Dr. BS Ajai Kumar and Dr. Ganesh Nayak are among the founders of the trust and trustees of the trust. Further, Dr. BS Ajai Kumar is the chairman of the board of trustees for life.

3. **The Bharath Charitable Cancer Hospital and Institute (Private Charitable Trust) (“BCCHI”)**

Information

BCCHI, a charitable trust was set up pursuant to the deed of trust dated May 24, 1984. The object of the trust is *inter alia* to build a cancer care centre which will provide good and efficient quality of cancer and treatment to people with cancer.

Interest of our Promoters

Dr. BS Ajai Kumar is one of the authors of the trust and trustee of the trust. Further, Dr. BS Ajai Kumar is the chairman of the board of trustees for life.

4. **International Human Development and Upliftment Academy (“IHDUA”)**

Information

IHDUA, a charitable trust was set up pursuant to the deed of trust dated November 20, 1991 and modified by modification deed dated February 9, 1999. The object of the trust is *inter alia* to start and develop orphanages and organise schools.

Interest of our Promoters

Dr. BS Ajai Kumar is one of the authors of the trust and trustee of the trust. Further, Dr. BS Ajai Kumar is the managing trustee for life.

Sole Proprietorships

5. **Ruchi Restaurant**

Our Promoter, Dr. BS Ajai Kumar founded Ruchi Restaurant, a restaurant situated at Mysuru. Dr. BS Ajai Kumar is the sole proprietor of Ruchi Restaurant.

6. **City Cancer Centre**

Our Promoter, Dr. M Gopichand founded City Cancer Centre, a cancer hospital situated at Vijaywada. Dr. M Gopichand is the sole proprietor of City Cancer Centre.

Non Governmental Organisations

7. **Ostomates India**

Our Promoter Dr. KS Gopinath is the founder member and president of the Ostomates India, a non government organisation set up for the rehabilitation of patients who have stoma.

Nature and Extent of Interest of Group Entities

(a) ***In the promotion of our Company***

None of our Group Entities have any interest in the promotion or any business interest or other interests in our Company.

Except as discussed in “*Financial Statements*” on page F-1, none of our Group Entities, Subsidiaries or associate companies have any business interest in our Company.

- (b) ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Entities is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

- (c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Except as stated in “*Related Party Transactions*” on page 219, none of our Group Entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits among the Group Entities with our Company

Except KDCPL and Ruchi Restaurant, there are common pursuits between all of our Group Entities and our Company.

Related Business Transactions within the Group Entities and significance on the financial performance of our Company

For more information, see “*Related Party Transactions*” on page 219.

Significant Sale/Purchase between Group Entities and our Company

None of our Group Entities is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Business Interest of Group Entities

We have entered into certain business contracts with our Group Entities. For details, see “*Related Party Transactions*” on page 219.

Other than as stated above, none of our Group Entities have any business interest in our Company.

Defunct Group Entities

Pursuant to board resolution dated December 8, 2011, the board of directors of Healthcare Global Associates Private Limited, a company promoted by Dr. BS Ajai Kumar made an application before the RoC for striking off the name of Healthcare Global Associates Private Limited under Section 560 of the Companies Act, 1956. The process has been completed.

Except as disclosed above, none of our Group Entities remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Entities during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Entities fall under the definition of sick companies under SICA and none of them is under winding up.

None of the securities of our Group Entities are listed on any stock exchange and none of our Group Entities have made any public or rights issue of securities in the preceding three years.

None of the Group Entities have been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Group Entities have been identified as wilful defaulters by the RBI or other authorities.

Litigation

For details relating to the legal proceedings involving the Group Entities, see “*Outstanding Litigations and Material Developments*” on page 277.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act and as reported in the Restated Financial Statements, see "*Financial Statements*" on page F-1.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 222.

Our Company has not declared any dividends during the last five Financial Years.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF HEALTHCARE GLOBAL ENTERPRISES LIMITED

No. 8, P. Kalinga Rao Road,
Sampangi Ram Nagar, Bangalore – 560 027

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of HealthCare Global Enterprises Limited ('the Company') and its subsidiaries and associates (together referred to as 'the Group') as at and for the years ending March 31, 2015, 2014, 2013, 2012 and 2011, which comprises of the restated consolidated assets and liabilities as at March 31, 2015, 2014, 2013, 2012, and 2011, the restated consolidated statements of profit and loss and the restated consolidated cash flow statements for each of the years then ended ("the Restated Consolidated Financial Statements") as approved by the Board of Directors of the Company at their meeting held on July 13, 2015 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) and prepared in terms of the requirements of:
 - a) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and
 - b) the Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations").
2. We have examined such Restated Consolidated Financial Statements taking into consideration
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 13, 2015 in connection with the proposed IPO of the Company and
 - b) The Guidance Note (Revised) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India.
3. These Restated Consolidated Financial Information have been prepared by the Management based on the audited Consolidated Financial Statements as at March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by Board of directors at their meetings held on May 29, 2015, August 27, 2014, July 11, 2013, June 27, 2012 and August 18, 2011, respectively.
4. We did not audit the financial statements of the subsidiaries and the associates for the financial years ended March 31, 2015, 2014, 2013, 2012 and 2011, whose financial statements reflect total assets of Rs. 411.32 Million, Rs. 96.00 Million, Rs. 180.22 Million, Rs. 55.24 Million and Rs. 52.50 Million, as at March 31, 2015, 2014, 2013, 2012 and 2011 respectively and total revenue of Rs. 99.52 Million, Rs. 83.17 Million, Rs. 59.17 Million, Rs. 45.09 Million and Rs. 42.99 Million, for the years ending March 31, 2015, 2014, 2013, 2012 and 2011 respectively as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the

amounts and disclosures included in these Restated Consolidated Financial Information are solely based on the reports of other auditors.

5. Based on our examination, we further report that:

- a) The Summary Statement of Restated Consolidated Assets and Liabilities of the Company as at March 31, 2015 and as at March 31, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure - 1 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.
- b) The Summary Statement of Restated Consolidated Profit and Loss of the Company for the year ended March 31, 2015 and each of the years ended March 31, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure - 2 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.
- c) The Summary Statement of Restated Consolidated Cash Flows of the Company for the year ended March 31, 2015 and each of the years ended March 31, 2014, 2013, 2012 and 2011 examined by us, as set out in Annexure - 3 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.
- d) Based on the above, according to the information and explanations given to us, we are of opinion that the Restated Consolidated Financial Statements have been made after incorporating:
 - (i) Material prior period items as explained in Annexure 4 of these Restated Consolidated Financial Statements, have been adjusted to the respective years to which such prior period items related;
 - (ii) Adjustments for the material amounts in the respective financial years to which they relate and change in accounting policy, as explained in Annexure 4 of these Restated Consolidated Financial Statements; and
 - (iii) Adjustments for material regrouping of balances as explained in Annexure 4 of these Restated Consolidated Financial Statements.

Further there are no: (i) extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments; and (ii) qualifications in the Auditors' reports for the relevant reporting periods requiring adjustments.

6. We have also examined the following Restated Consolidated Financial Information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on July 13, 2015 for the year ended March 31, 2015 and for the years ended March 31, 2014, 2013, 2012 and 2011.
- (i) Annexure 5 – Summary of Significant Accounting Policies and Notes to Accounts
 - (ii) Annexure 6 - Summary Statement of Share Capital, as restated
 - (iii) Annexure 7 - Consolidated Summary Statement of Reserves and Surplus, as restated
 - (iv) Annexure 8 - Consolidated Summary Statement of Secured and Unsecured Loans, as restated

- (v) Annexure 9 – Consolidated Summary Statement of Fixed Assets, as restated
- (vi) Annexure 10 – Consolidated Summary Statement of Non-Current Investments, as restated
- (vii) Annexure 11 – Consolidated Summary Statement of Current Investments, as restated
- (viii) Annexure 12 – Consolidated Summary Statement of Trade Receivables, as restated
- (ix) Annexure 13 – Consolidated Summary Statement of Loans and Advances, as restated
- (x) Annexure 14 – Consolidated Summary Statement of Other Current and Non-Current Assets, as restated
- (xi) Annexure 15 – Consolidated Summary Statement of Current Liabilities and Provisions, as restated
- (xii) Annexure 16 – Consolidated Summary Statement of Other Income, as restated
- (xiii) Annexure 17 – Consolidated Summary Statement of Key Operational Income and Expenses, as restated
- (xiv) Annexure 18 – Consolidated Summary Statement of Dividend Paid / Proposed by the Company
- (xv) Annexure 19 – Consolidated Summary Statement of Accounting Ratios
- (xvi) Annexure 20 – Consolidated Statement of Capitalisation, as restated
- (xvii) Annexure 21 - Consolidated Statement of transactions and balances with Related Parties, as restated

In our opinion, the above financial information contained in Annexures 1 to 21 accompanying this report read along with the Significant Accounting Policies [Refer Annexure 5 (A)] are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure 4] and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable; SEBI Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

7. 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 financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
9. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountant
ICAI Firm Registration No. 008072S

Sd/-
V. Balaji
Partner
Membership No. 203685

Bengaluru, July 13, 2015
VB/HMK/KRP/2015

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 1: Consolidated Summary Statement of Assets and Liabilities, as restated

(Amount in Rs. Million)

Particulars		As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
I. EQUITY AND LIABILITIES						
Shareholders' funds						
(a) Share capital		699.84	682.45	668.90	592.72	533.04
(b) Shares pending allotment		8.47	5.80	5.80	-	1.05
(c) Share application money pending allotment		-	-	-	-	72.89
(d) Reserves and surplus		2,086.61	1,949.44	2,159.30	1,519.63	1,103.49
Total	A	2,794.92	2,637.69	2,834.00	2,112.35	1,710.47
Minority Interest	B	252.95	183.09	125.81	82.22	53.98
Non-current liabilities						
(a) Long-term borrowings		2,802.37	2,518.01	2,393.39	1,353.98	937.20
(b) Deferred tax liabilities (net)		5.15	12.07	14.57	15.53	14.70
(c) Other long-term liabilities		13.69	19.40	130.89	106.16	-
(d) Long-term provisions		22.64	21.87	32.31	23.86	30.47
Total	C	2,843.85	2,571.35	2,571.16	1,499.53	982.37
Current liabilities						
(a) Short-term borrowings		292.71	179.98	380.20	517.24	215.74
(b) Trade payables		832.67	705.35	527.17	362.77	361.70
(c) Other current liabilities		709.86	582.91	647.06	477.67	301.47
(d) Short-term provisions		34.73	26.31	4.41	10.01	1.98
Total	D	1,869.97	1,494.55	1,558.84	1,367.69	880.89
TOTAL (A+B+C+D)		7,761.69	6,886.68	7,089.81	5,061.79	3,627.71
II. ASSETS						
Non-current assets						
(a) Fixed assets						
- Tangible assets		4,516.92	4,337.53	4,222.91	3,766.31	2,534.44
- Intangible assets		159.15	175.68	192.73	9.72	8.87
- Capital work-in-progress		422.38	108.73	62.74	48.20	37.29
(b) Goodwill on consolidation		608.88	601.98	606.61	98.68	88.66
(c) Non-current investments		1.21	23.33	2.21	1.16	1.16
(d) Deferred tax assets (net)		58.79	2.26	11.38	17.68	19.12
(e) Long-term loans and advances		699.68	492.51	396.14	250.58	415.49
(f) Other non-current assets		74.93	48.18	47.46	29.93	19.38
Total	E	6,541.94	5,790.20	5,542.18	4,222.26	3,124.41
Current assets						
(a) Current investments		-	-	603.72	0.86	8.34
(b) Inventories		145.53	119.83	99.72	70.72	53.24
(c) Trade receivables		638.09	528.58	601.80	430.67	291.55
(d) Cash and cash equivalents		269.54	254.77	106.67	166.27	57.53
(e) Short-term loans and advances		80.49	117.59	66.72	108.55	51.59
(f) Other current assets		86.10	75.71	69.00	62.46	41.05
Total	F	1,219.75	1,096.48	1,547.63	839.53	503.30
TOTAL (E+F)		7,761.69	6,886.68	7,089.81	5,061.79	3,627.71

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

V. Balaji
Partner

Membership Number: 203685
Place: Bengaluru
Date: July 13, 2015

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 2: Consolidated Summary Statement of Profit and Loss, as restated

(Amount in Rs. Million)

Particulars		For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
REVENUE						
Revenue from operations						
Income from medical services		3,395.71	3,009.77	2,220.97	1,648.34	1,318.87
Income from pharmacy		1,762.87	1,477.29	1,150.78	1,014.41	826.91
Other operating revenues		35.17	26.28	11.30	3.08	2.40
Total	A	5,193.75	4,513.34	3,383.05	2,665.83	2,148.18
Other Income	B	48.15	39.72	23.78	36.34	13.72
Total Revenue (A + B)	C	5,241.90	4,553.06	3,406.83	2,702.17	2,161.90
EXPENSES						
Purchase of stock-in-trade		1,493.73	1,354.20	1,057.85	828.34	637.10
(Increase)/ Decrease in stock-in-trade		(33.39)	(20.11)	(22.61)	(17.48)	(20.74)
Employee benefits expense		815.10	767.64	534.73	421.53	322.84
Finance costs		342.28	322.29	291.78	239.75	136.11
Depreciation and amortisation expense		398.25	361.76	295.74	237.68	176.06
Other expenses		2,155.91	2,029.17	1,350.79	1,021.13	830.30
Total Expenses	D	5,171.88	4,814.95	3,508.28	2,730.95	2,081.67
Profit/(Loss) before tax and exceptional items (C - D)	E	70.02	(261.89)	(101.45)	(28.78)	80.23
EXCEPTIONAL ITEMS						
Effect of increase / (decrease) in profits						
Net loss relating to Hospital unit closed during the year		(42.51)	-	-	-	-
Net loss on vacation of leased Hospital premises during the year		(3.11)	-	-	-	-
Provision for impairment in goodwill		-	(4.63)	-	-	-
Total Exceptional Items	F	(45.62)	(4.63)	-	-	-
Profit/(Loss) before tax (E + F)	G	24.40	(266.52)	(101.45)	(28.78)	80.23
TAX EXPENSE						
(a) Current tax expense		35.69	46.90	5.42	4.19	23.79
(b) (Less): MAT credit		-	-	(3.54)	(4.19)	(13.05)
(c) Provision for MAT credit entitlement		6.94	-	-	-	-
(d) Deferred tax		(59.46)	6.62	5.26	2.27	(0.94)
Net tax expense	H	(16.83)	53.52	7.14	2.27	9.80
Profit / (Loss) after tax before share of profit/ (loss) of minority interest (G - H)	I	41.23	(320.04)	(108.59)	(31.05)	70.43
Share of profit of minority interest	J	35.77	35.49	(3.45)	2.26	7.44
Net Profit / (Loss) for the year (as restated) (I - J)	K	5.46	(355.53)	(105.14)	(33.31)	62.99

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

V. Balaji
Partner

Membership Number: 203685

Place: Bengaluru

Date: July 13, 2015

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 3: Consolidated Summary Statement of Cash Flows, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
A. Cash flow from operating activities					
Profit / (Loss) before tax, as restated	24.40	(266.54)	(101.46)	(28.78)	80.23
Adjustments for:					
Depreciation and amortisation expense	405.01	361.76	295.74	237.68	176.06
(Profit) / Loss on sale / write off of assets (net)	6.51	7.11	3.69	0.03	2.86
Expense on employee stock option scheme	11.98	8.89	4.50	5.03	3.98
Finance costs	323.26	302.60	275.21	210.62	127.94
Interest income	(31.50)	(18.07)	(7.72)	(4.71)	(0.99)
Dividend income	-	(0.20)	-	(0.91)	(2.60)
Net (gain) / loss on sale of investments	-	(5.41)	(0.03)	(0.35)	-
Liabilities / provisions no longer required written back	(2.38)	(3.26)	(2.47)	(17.72)	(3.75)
Provision for doubtful trade and other receivables, loans and advances	25.36	153.05	27.56	29.60	9.64
Write-off of leasehold improvements	3.13	-	-	-	-
Write-back of provision for rent straightlining due to termination of lease agreement	(2.25)	-	-	-	-
Provision for impairment in goodwill	-	4.63	-	-	-
Unrealised foreign exchange loss	-	-	-	0.14	(0.63)
Operating profit / (loss) before working capital changes	763.52	544.56	495.02	430.63	392.74
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(25.70)	(20.11)	(22.61)	(17.48)	(21.46)
Trade receivables	(125.20)	(74.08)	(193.53)	(167.94)	(153.06)
Short-term loans and advances	(22.77)	(1.46)	0.44	(16.97)	31.96
Long-term loans and advances	(91.71)	(57.91)	(36.60)	(7.06)	8.93
Other current assets	(10.01)	(7.63)	(5.17)	(21.55)	2.24
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables	135.06	181.63	131.17	18.65	134.93
Other current liabilities	28.47	26.80	9.84	17.28	7.09
Short-term provisions	9.38	20.44	1.76	8.03	(8.94)
Long-term provisions	0.78	(10.44)	6.56	(6.61)	16.87
Cash generated from operations	661.82	601.80	386.88	236.98	411.30
Net income tax (paid) / refunds	(65.29)	(87.58)	(75.62)	(50.11)	(47.58)
Net cash flow from / (used in) operating activities (A)	596.53	514.22	311.26	186.87	363.72
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(801.98)	(507.11)	(894.69)	(462.05)	(502.49)
Proceeds from sale of fixed assets	0.81	2.19	0.70	-	0.27
Purchase / acquisition of long-term investments:					
- in subsidiaries	(37.88)	(150.20)	(452.28)	-	-
- in associates	-	(18.80)	(1.00)	-	-
- Others	-	-	(0.04)	-	-
Current investment not considered as cash and cash equivalents					
- Purchased	-	-	(603.72)	(213.46)	(99.10)
- Proceeds from sale	-	609.13	0.89	221.29	285.08
Inter-corporate deposits given	(22.16)	(50.00)	-	-	-
Inter-corporate deposits received	50.00	-	-	-	-
Deposits placed for margin money	(17.11)	(14.27)	(24.68)	(10.52)	(31.34)
Realisation from margin money deposits	-	0.25	-	-	-
Interest received	31.20	12.58	4.69	4.62	1.15
Dividend received	-	0.20	-	0.91	2.60
Net cash flow from / (used in) investing activities (B)	(797.12)	(116.03)	(1,970.13)	(459.21)	(343.83)

Annexure 3: Consolidated Summary Statement of Cash Flows, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
C. Cash flow from financing activities					
Proceeds from issue of equity shares	100.00	149.99	799.99	433.12	144.91
Share issue expenses	-	(0.17)	(2.55)	-	(1.08)
Transfer of unclaimed dividend to Investor Education and Protection Fund	-	-	-	-	(0.01)
Amount received from minority shareholders in the subsidiaries	21.52	18.39	12.38	5.00	18.43
Proceeds from long-term borrowings	620.16	799.01	887.63	433.45	224.66
Repayment of long-term borrowings	(335.39)	(756.98)	(195.94)	(554.07)	(403.74)
Net increase / (decrease) in short-term borrowings	162.73	(250.23)	272.24	261.45	153.89
Finance costs	(303.38)	(278.52)	(258.40)	(198.02)	(145.49)
Proceeds from inter-corporate deposits taken	-	50.00	-	-	-
Repayment of inter-corporate deposits	(50.00)	-	-	-	-
Dividend paid by subsidiary to its minority shareholders (including dividend tax thereon)	-	-	(119.39)	-	-
Net cash flow from / (used in) financing activities (C)	215.64	(268.51)	1,395.96	380.93	(8.43)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	15.05	129.68	(262.91)	108.59	11.46
Cash and cash equivalents at the beginning of the period/ year	223.03	93.35	162.92	54.33	42.87
Cash and bank balances on acquisition of subsidiaries during the period/ year	9.44	-	193.34	-	-
Cash and cash equivalents at the end of the year	247.52	223.03	93.35	162.92	54.33
Cash and cash equivalents as per Balance Sheet, as restated	269.54	254.77	106.67	166.27	57.53
Less: deposits held as margin money against guarantee not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	(22.02)	(31.74)	(13.32)	(3.35)	(3.20)
Cash and cash equivalents as per AS 3 Cash Flow Statements	247.52	223.03	93.35	162.92	54.33

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

V. Balaji

Partner

Membership Number: 203685

Place: Bengaluru

Date: July 13, 2015

Annexure 4: Consolidated Summary Statement of Adjustments to Audited Financial Information

(Amount in Rs. Million)

Particulars	Note ref	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit / (Loss) for the year (as per audited accounts) (A)		8.34	(436.97)	(60.96)	(16.42)	73.98
Restatement Adjustments						
Increase / (decrease) in net profits for restatement adjustments:						
- Prior period items	a	-	95.08	-	-	-
- Income from medical services	a & b	-	-	(37.57)	(7.65)	-
- Income from pharmacy	a	-	-	(26.07)	(14.88)	(10.99)
- Other operating revenues	b	-	12.59	(6.67)	(10.00)	(18.32)
- Other income	b	-	(12.59)	(2.01)	(3.04)	-
- Purchase of stock-in-trade	b	-	-	(0.29)	10.00	18.32
- Employee benefits expense	b	-	14.79	7.69	6.66	4.74
- Other expenses	b	-	(14.79)	6.06	(3.62)	(4.74)
- Depreciation expense	c	(5.74)	1.02	4.72	-	-
Total effect of adjustments before tax (B)		(5.74)	96.10	(54.14)	(22.53)	(10.99)
Tax adjustments	d					
Current tax		-	-	(3.30)	-	-
Less: MAT credit		-	-	3.30	-	-
Deferred tax		-	-	-	-	-
Total of tax adjustments (C)		-	-	-	-	-
Net effect of adjustments after tax, before share of profit/ (loss) of minority interest (D) = (B - C)		(5.74)	96.10	(54.14)	(22.53)	(10.99)
Profit / (Loss) attributed to minority on account of restatement adjustments (E)	e	(2.86)	14.66	(9.96)	(5.64)	-
Net effect of adjustments for the year (F) = (D - E)		(2.88)	81.44	(44.18)	(16.89)	(10.99)
Net Profit / (Loss) for the year (as restated) (G) = (A + F)		5.46	(355.53)	(105.14)	(33.31)	62.99

Annexure 4: Consolidated Summary Statement of Adjustments to Audited Financial Information
Explanatory Notes for the adjustments:

- a) Prior period items accounted for the year ended 31-Mar-2014 include:
- i) Reversal of excess revenue in HealthCare Global Vijay Oncology Private Limited, subsidiary of the Company, amounting Rs. 40.44 Million and corresponding excess balance in trade receivable (Rs. 29.86 Million) and unbilled revenue (Rs. 10.58 Million) recognised during the financial years 2011-12 of Rs. 7.65 Million and 2012-13 of Rs. 32.79 Million due to deliberate recording of fictitious invoices and services as revenue by certain employees of this subsidiary. The Management has investigated the matter and has taken appropriate action in this matter. Same was reported in the Annexure to the Audit Report of HealthCare Global Vijay Oncology Private Limited for the year ended 31-Mar-14.
- ii) Reversal of excess revenue amounting Rs. 54.64 Million and corresponding balance of unbilled revenue accounted during the prior years which could not be billed to patients. The unbilled revenue was overstated mainly due to not restricting the revenue recognition to the respective payer package limits.

Such prior period items referred above have been appropriately adjusted in the respective years, the details of which are given in the below table:

Financial year	Amount in Rs. Million			
	Adjustment for decrease in			
	Medical Service income	Pharmacy sales	Trade receivables	Unbilled revenue
2012 - 2013	32.79	26.07	23.60	35.26
2011 - 2012	7.65	14.88	6.26	16.27
2010 - 2011	-	10.99		10.99
2009 - 2010 (adjusted in the brought forward balance of Surplus in Statement of Profit and Loss as at 1-Apr-2010)	-	2.70		2.70
Total	40.44	54.64	29.86	65.22

- b) The following regrouping adjustments made to the audited consolidated financial statements for the respective years are given below:

Particulars	(Amount in Rs. Million)				
	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Increase / (decrease) in profits due to adjustment of following:					
(i) Management fees					
- Other operating revenue	-	3.00	4.78	-	-
- Income from medical services	-	-	(4.78)	-	-
- Other Income	-	(3.00)	-	-	-
(ii) Income from cafeteria:					
- Other operating revenue	-	9.59	2.01	-	-
- Other Income	-	(9.59)	(2.01)	-	-
(iii) Discount received on purchase of stock-in-trade					
- Purchase of stock-in-trade	-	-	13.46	10.00	18.32
- Other operating revenues	-	-	(13.46)	(10.00)	(18.32)
(iv) Regrouping purchase of stock-in-trade from other expenses					
- Purchase of stock-in-trade	-	-	(13.75)	-	-
- Other Expenses	-	-	13.75	-	-
(v) Reimbursement of expenses credited to other income instead of other expenses					
- Other expenses	-	-	-	3.04	-
- Other Income	-	-	-	(3.04)	-
(vi) Regrouping other expenses from employee benefit expenses					
- Other expenses	-	(14.79)	(7.69)	(6.66)	(4.74)
- Employee benefit expenses	-	14.79	7.69	6.66	4.74

- c) During the year ended 31-Mar-15, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, BACC Healthcare Private Limited, a subsidiary of the Company changed its method of depreciation for certain categories of fixed assets from written down value (WDV) method to straight line method (SLM). Consequent to this change, depreciation has been recalculated in accordance with the new method from the date of the asset coming into use and the resulting surplus arising from retrospective recomputation of depreciation in accordance with the new method has been adjusted to the respective period in these restated financial statements.

Annexure 4: Consolidated Summary Statement of Adjustments to Audited Financial Information

d) Tax adjustments: Tax adjustments for Current Tax and MAT relate to adjustments explained in Note (a) (i).

e) Minority interest: Consequent to the adjustments above, minority interest has been restated to give effect to the changes in minority's share of profits or loss for respective years. Further, following adjustments have been made in these restated financial information:

(i) Decrease in minority's share of profit for the year ended 31-Mar-13 by Rs. 0.84 Million pursuant to the accounting of merger of Multispecialty division of HCG Medi-Surge Hospitals Private Limited with the Company from appointed date of 1-Apr-12.

(ii) In the year ended March 2012, minority's share in HCG Medi-Surge Hospitals Private Limited increased by 2.26% and the consequential decrease in the Parent Company's stake in the subsidiary amounting Rs. 2.96 Million was considered in minority's share if profit for the year then ended. Same has been adjusted in these restated financial information from the Surplus in Consolidated Statement of Profit and Loss.

f) Surplus in Consolidated Statement of Profit and Loss as at 1-Apr-2010, as restated

Particulars	Amount Rs. in Million
Opening balance as at 1-Apr-2010 as per audited accounts	(126.64)
Add: Adjustments pursuant to merger of Banashankari Medical and Oncology Research Center Limited with effect from appointed date 1-Apr-2009, given effect in the audited financial statements during the year ended 31-Mar-2011	
Transfer of net debit balance in Statement of Profit and Loss on the appointed date of merger transferred to Securities Premium Account	81.71
Reversal of provision for tax and deferred tax pursuant to merger	76.03
Less: Adjustment of prior period items referred in note (a) above	(2.70)
Opening balance as at 1-Apr-2010, as restated	28.40

g) Material regrouping:

i) Long-term Borrowings: Deferred Payment Liabilities and finance lease obligations of the Parent Company had been grouped as 'Secured' borrowings in the prior years ended March 31, 2011, 2012, 2013 and 2014. Since such loans were financed by vendors without any charge on the assets of the Company, same has been grouped as 'Unsecured' in these restated accounts.

ii) Advance Tax and MAT Credit Entitlement: In addition to the changes explained in tax adjustments above, the MAT Credit Entitlement of Rs. 9.64 Million was reported as Advance Tax balance under Long-term loans and advances in the audited accounts for the year ended March 2014, which has been regrouped appropriately in these restated accounts.

iii) Fixed Assets and Other Current Liabilities: Fixed Assets and Other Current Liabilities were overstated by Rs. 2.25 Million in the prior years ending March 2012 and 2011 which have been rectified in these restated accounts.

iv) Investments in the associate of the Group, HCG Regency Oncology Private Limited amounting Rs. 1 Million as at 31-Mar-13 was included in the security deposit classified under long-term loans and advances in the audited accounts which has been appropriately classified in these restated financials.

v) Appropriate adjustments have been made in consolidated restated summary statements of Assets and Liabilities, statement of profit and losses and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended 31-Mar-15 prepared in accordance with schedule III of the Companies Act, 2013 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

h) Non-Adjustment Items

Audit reservations / qualifications, which do not require any corrective adjustment in the consolidated financial information:

i) CARO for the years ending March 2011-2015: In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and the subsidiary companies incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services.

Annexure 4: Consolidated Summary Statement of Adjustments to Audited Financial Information

ii) CARO: Details of disputed dues which have not been deposited:

Name of the entity in which reporting was made	Nature of Dues and Name of Statute	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in Million)	Reported in the CARO for the year ended
HealthCare Global Enterprises Limited	Tax deduction at source under 'The Income Tax Act, 1961'	Commissioner of Income Tax, Appeals	AY 2011-12	16.25	31-Mar-14
				8.13	31-Mar-15
			AY 2012-13	19.58	31-Mar-14
				9.79	31-Mar-15
	Value Added Tax under 'Andhra Pradesh Value Added Tax Act, 2005'	High Court of Judicature at Hyderabad, for the state of Telangana and the state of Andhra Pradesh.	2011-June 2014	1.59	31-Mar-15
HealthCare Global Senthil Multi Specialty Hospital Private Limited	Income Tax under 'The Income Tax Act, 1961'	Commissioner of Income Tax, Appeals	AY 2011-12	12.56	31-Mar-14
				12.56	31-Mar-15
	Service Tax under 'Finance Act, 1995'	Customs, Excise and Services Tax Appellate Tribunal	AY 2009 - 13	3.38	31-Mar-15

iii) CARO: Outstanding undisputed dues for more than six months as at the Balance Sheet date:

Name of the entity in which reporting was made	Nature of Dues	Amount Involved (Rs. in Million)	Reported in the CARO for the year ended
HealthCare Global Enterprises Limited	Value added tax	1.68	31-Mar-15
HealthCare Global Senthil Multi Specialty Hospital Private Limited	Value added tax	0.96	31-Mar-15
	Service tax	0.13	31-Mar-15
BACC Healthcare Private Limited	Service tax	0.30	31-Mar-13
HealthCare Global Vijay Oncology Private Limited	Tax deduction at source	0.18	31-Mar-13
HCG TVH Medical Imaging Private Limited	Tax deduction at source	0.10	31-Mar-11
	Professional tax	0.03	31-Mar-13

iv) Audit Report of HealthCare Global Senthil Multi Specialty Hospital Private Limited for the year ended March 2014 and 2015: The accumulated losses of HealthCare Global Senthil Multi Specialty Hospital Private Limited as on March 31, 2014 are in excess of its paid up capital and reserves as on that date and the business operations have been temporarily discontinued. The ability of the Company to continue as a going concern is dependent on the outcome of achieving its business plans and the support of the Holding Company. Audit opinion was not qualified in respect of this matter.

v) Consolidated Audit Report for the year ended March 2014: There was an incidence of fire on May 24, 2014 in one of the offices of the Group in which significant part of the supporting records (including those of prior years) relating to payments, purchase of inventory and fixed assets, and other expenses of the Group were destroyed. The financial statements of the Group have been prepared based on the statement of accounts obtained / received by the Group from the vendors and service providers and duplicate copies of the vendor invoices that have been obtained by the Group, which have been taken on record by the Management.

Aggregate of transactions which have been compiled based on such alternate records are as follows:

Purchase of fixed assets: Rs. 25.98 Million
Purchase of materials: Rs. 80.51 Million
Other expenses: Rs. 56.88 Million

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

A Summary of Significant Accounting Policies

a Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 'c' to Annexure 4.

b Principles of consolidation

The consolidated financial statements relate to HealthCare Global Enterprises Limited (the 'Company'), its subsidiary companies, and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies and associates used in the consolidation are drawn upto the same reporting date as that of the Company. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.
- (v) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vi) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- (vii) Goodwill arising on consolidation is not amortised but tested for impairment.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

(viii) Following subsidiary and associate entities have been considered in the preparation of the consolidated financial statements:

Sl. No	Name of the entity	% of ownership held by the Company as at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
a	HCG Medi-Surge Hospitals Private Limited	74.00%	74.00%	81.03%	87.95%	90.21%
b	Malnad Hospital & Institute of Oncology Private Limited	70.25%	62.00%	62.00%	62.00%	62.00%
c	HealthCare Global Senthil Multi Specialty Hospital Private Limited	100.00%	100.00%	100.00%	100.00%	100.00%
d	HealthCare Global Vijay Oncology Private Limited	N/A	65.00%	65.00%	65.00%	65.00%
e	MIMS HCG Oncology Private Limited	100.00%	100.00%	100.00%	100.00%	100.00%
f	HCG TVH Medical Imaging Private Limited	51.00%	51.00%	51.00%	51.00%	51.00%
g	BACC Healthcare Private Limited	50.50%	50.50%	50.10%	N/A	N/A
h	HealthCare Diwan Chand Imaging LLP	75.00%	55.00%	55.00%	55.00%	55.00%
i	HCG Pinnacle Oncology Private Limited	50.10%	50.10%	N/A	N/A	N/A
j	HealthCare Global (Uganda) Private Limited	100.00%	100.00%	N/A	N/A	N/A
k	HealthCare Global (Kenya) Private Limited	100.00%	N/A	N/A	N/A	N/A
l	HealthCare Global (Tanzania) Private Limited	100.00%	N/A	N/A	N/A	N/A
m	APEX HCG Oncology Hospitals LLP	50.01%	50.01%	N/A	N/A	N/A
n	HCG Regency Oncology Private Limited	50.10%	28.78%	50.00%	N/A	N/A
o	DKR Healthcare Private Limited (formerly Parenthood Healthcare Private Limited)	100.00%	51.00%	51.00%	N/A	N/A

- All the above mentioned entities are based out in India except 'j', 'k' and 'l' which are based out in Uganda, Kenya and Tanzania respectively.

- As on the date of investment, in respect of 'a', 'b', 'c', 'd', 'e', 'g' and 'o', the Company's cost of investment is in excess of its share of equity and the difference has been recognized as Goodwill. In respect of 'j' and 'n', the Company's share of equity is in excess of its cost of investment and the difference is recognised as Capital reserve.

- Ownership in all the above entities is held by the Company except in case of DKR Healthcare Private Limited which is a subsidiary of BACC Healthcare Private Limited.

- The following Limited Liability Partnership entities were incorporated during the year. As at 31 March, 2015, the Company does not have any investments in these entities. Upon investment by the Company, the entities will become subsidiary/ associate of the Company.

Sl. No.	Name of the Entity	Date of incorporation	Proposed relationship	Percentage of proposed investments
1	HCG NCHRI Oncology LLP	3-Sep-14	Subsidiary	51%
2	HCG Oncology LLP	29-Nov-14	Subsidiary	74%
3	Strand-Triesta Cancer Genomics LLP	9-Nov-14	Associate	30%

(ix) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

(x) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented to the extent possible, in the same manner as the Company's separate financial statements.

c Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

e Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

g Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Linear accelerator and related equipment - 15 years

PET CT - 10 years

Leasehold improvements and assets acquired on finance lease are amortized over the period of the lease.

Assets costing less than Rs.5,000/- are fully depreciated in the year of purchase.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software - 6 years

Software used in Plant & Machinery - 13 years (based on the useful life of the related Plant & Machinery, balance useful life 7 to 11 years as at 31-Mar-15)

Goodwill - 15 years. The Company entered into Operation Agreement (OA) dated May 11, 2012 with Dr. Balabhai Nanavati Hospital (BNH), a public charitable trust to operate and manage the Oncology Department in BNH. The OA is valid for a period of 15 years comprising of an initial term of 8 years which shall be automatically renewed for a additional term of 7 years. As per the terms and conditions mentioned in the OA, the Company has paid a sum of Rs. 150,000,000 to BNH as non-refundable deposit and incurred a sum of Rs. 5,432,570, towards cost of entering into OA with BNH. Such non-refundable deposit paid to BNH including cost of entering into such OA, is considered as Goodwill and the same is amortised over a period of 15 years, being the contractual period of the OA. Balance amortisation period as at 31-Mar-15 is 12 years.

h Revenue recognition

Revenue from operations includes income from medical services, sale of pharmacy and income from research and development.

Revenues from medical services are recognized as and when the services are rendered.

Revenue from pharmacy: Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Revenue from research & development income and site management operation recognized proportionately over the period during which the services are rendered as per the terms of contract.

i Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

j Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Group has adopted the provisions of para 46 / 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

k Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

l Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

m Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

n Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOP) which provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

o Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

p Leases

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

q Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

s Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

t Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

u Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

v Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

w Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

B Notes to Accounts

a) Acquisition of subsidiaries:

(i) BACC HealthCare Private Limited ('BACC'):

During the financial year ending 31-Mar-13, the Company purchased 50.10% shares in BACC Healthcare Private Limited (BACC). Consequently, BACC and its subsidiary Parenthood Healthcare Private Limited became subsidiaries of the Company with effect from 22-Mar-13. Aggregate consideration payable towards acquisition of such equity shares in BACC was Rs. 601.23 Million out of which a sum of Rs. 451.23 Million was paid during the year ended 31-Mar-13, and the balance Rs. 150 Million (accounted under other current liabilities as payable towards purchase of such long-term investments as at 31-Mar-13) was paid during the year ended 31-Mar-14.

Following are the details of assets and liabilities of BACC (consolidated assets and liabilities of BACC and its subsidiary Parenthood Healthcare Private Limited as on the date of acquisition (22-Mar-13):

Particulars	Amount in Rs. Million
Liabilities:	
Non-current liabilities	
Long-term provisions	1.90
Deferred tax liabilities (Net)	0.08
Current liabilities	
Trade payables	31.05
Other current liabilities	26.39
Short-term provisions	119.52
Assets:	
Non-current assets	
Tangible fixed assets	51.50
Intangible fixed assets	1.47
Deferred tax assets (net)	
Long-term loans and advances	33.85
Current assets	
Inventories	6.39
Trade receivables	0.46
Cash and cash equivalents	193.34
Short-term loans and advances	1.95
Other current assets	0.65
Networth of BACC as on the date of acquisition (Net assets)	110.67
% of networth attributable to the Company	50.10%
Company's share of networth	55.45
Investment by the Company (including other fees and charges Rs. 1.05 Million incurred in connection with purchase of investments)	602.28
Goodwill on acquisition of BACC	546.83

(ii) HCG Regency Oncology Private Limited

During the year ended 31-Mar-15, the Company acquired additional stake in HCG Regency Oncology Private Limited ('HCG Regency') raising its percentage of holding from 28.78% as at 31-Mar-14 to 50.10%. As a result, HCG Regency, which was earlier an associate of the Company, became a subsidiary of the Company. Following are the details of assets and liabilities of HCG Regency as on the date of acquisition (25-Mar-15):

Note: Company's share of equity on the date of additional investments

Particulars	Amount in Rs. Million
Fixed assets	
Tangible assets	59.67
Capital work-in-progress	143.44
Long-term loans and advances	50.13
Cash and cash equivalents	9.44
Total assets	262.68
Long-term borrowings	150.27
Other current liabilities	4.18
Total liabilities	154.45
Carrying value of net assets on the date of additional investments	108.23
Company's share of equity on the date of additional investments	54.22
Total cost of investments	50.20
Balance of capital reserve	4.02

b) Other corporate restructures:

(i) Merger of HealthCare Global Vijay Oncology Private Limited, a subsidiary of the Company, with the Company:

In accordance with the terms of a Scheme of Arrangement approved by the Honorable High Court of Judicature at Bangalore, HealthCare Global Vijay Oncology Private Limited has been merged with the Company. Appointed date of the Scheme is 1-Apr-14.

Pursuant to the Scheme, the Company is required to allot 9 fully paid-up equity shares of Rs. 10/- each for every twenty three fully paid-up equity shares of Rs. 10/- each held by the minority shareholders in the Transferor Company. Accordingly, 846,760 equity shares of Rs. 10/- each are pending to be allotted as at March 31, 2015 to the minority shareholders in the Transferor Company.

The effect of accounting treatment for the Scheme in the consolidated financial statements is given below:

Particulars	Amount in Rs. Million
Reduction in carrying value of goodwill pertaining to the merged company	0.71
Reduction in carrying value of minority interest pertaining to the merged company	45.79
Adjustment of deficit balance pertaining to the merged company in the Consolidated Statement of Profit and Loss	17.57
Face value of shares to be issued to the minority share holders of the Transferor Company (As consideration of merger to the minority shareholders)	8.47
Capital reserve on account of merger	19.05

As per the Scheme, balance in capital reserve shall be used to set-off accumulated losses in the Transferee Company.

(ii) Merger of Multispecialty unit of HCG Medi-Surge Hospitals Private Limited with the Company

In the previous year, the Multispecialty division of HCG Medi-Surge Hospitals Private Limited, merged with the Company in accordance with the terms of the Scheme of Arrangement, as approved by the Honorable High Courts of Judicature at Bangalore and Ahmedabad with an appointed date of 1-Apr-12. This merger was given effect in the audited financial statements of the previous year since effective date of this merger was 31-Mar-14. In these restated financial statements, the effect of this merger is given from the appointed date of the merger i.e., 1-Apr-12

Pursuant to the Scheme, the Company was required to allot 0.2668 fully paid-up equity shares of Rs. 10/- each for every one fully paid-up equity shares of Rs. 10/- each held by the minority shareholders in the Transferor Company. Accordingly, 579,948 equity shares of Rs. 10/- which were pending to be allotted as at 31-Mar-14 to the minority shareholders in the Transferor Company have been allotted during the year ended 31-Mar-15.

The effect of accounting treatment for this merger in these Restated Consolidated Financial Information for the year ended 31-Mar-13 is given below:

Particulars	Rs. in Million
Reduction in carrying value of goodwill pertaining to the merged unit	38.90
Reduction in carrying value of minority interest pertaining to the merged unit	30.27
Face value of shares to be issued to the minority share holders of the Transferor Company (As consideration of demerger to the minority shareholders)	5.80
Reduction in securities premium in accordance with the Scheme of merger	14.43

c) Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(a) Contingent liability: Income tax matters under appeal	49.47	48.38	1.06	-	-
(b) Contingent Liability: Claims on VAT which are under appeal	1.99	-	-	-	-
(c) Contingent Liability: Service Tax matter under Appeal	3.38	-	-	-	-
(d) Estimated amount of contracts remaining to be executed on capital account not provided for.	1,877.80	1,683.97	189.06	169.35	456.58

d) Employee benefit plans

(i) Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Contribution to Provident Fund and Employee State Insurance Scheme	35.32	28.30	22.23	19.60	9.53

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

(ii) Defined benefit plans

The Group offers Gratuity and Compensated absence benefit schemes to its employees:

Gratuity: The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

(Amount in Rs. Million)					
Particulars	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Components of employer expense					
Current service cost	8.48	7.98	7.53	7.32	3.70
Interest cost	2.62	1.96	1.40	1.01	0.67
Expected return on plan assets	(0.06)	(0.07)	(0.09)	(0.10)	(0.13)
Curtailment cost/(credit)	-	(0.03)	-	-	-
Actuarial losses/(gains)	1.13	(0.31)	(1.74)	(2.31)	(0.22)
Total expense recognised in the Statement of Profit & Loss	12.17	9.53	7.10	5.92	4.02
Actual contribution and benefits payments					
Actual benefit payments	3.57	2.67	1.30	0.76	0.37
Actual contributions	-	-	1.10	0.09	0.03
Net asset/(liability) recognised in balance sheet					
Present value of defined benefit obligation (DBO)	(40.80)	(32.17)	(25.31)	(17.64)	(12.36)
Fair value of plan assets	0.77	0.73	1.03	1.09	1.58
Funded status [surplus/(deficit)]	(40.03)	(31.44)	(24.28)	(16.55)	(10.78)
Unrecognized past service costs	-	-	-	-	-
Net asset/(liability) recognised in balance sheet	(40.03)	(31.44)	(24.28)	(16.55)	(10.78)
Current	(17.39)	(14.42)	(2.11)	(1.36)	(0.83)
Non-current	(22.64)	(17.02)	(22.17)	(15.19)	(9.95)
Total asset / (liability) recognised in the balance sheet	(40.03)	(31.44)	(24.28)	(16.55)	(10.78)
Change in defined benefit obligations					
Present value of DBO at beginning of period	32.17	25.31	17.64	12.36	8.55
Current service cost	8.48	7.98	7.53	7.32	3.70
Interest cost	2.62	1.96	1.40	1.01	0.67
Curtailment cost/(credit)	-	(0.03)	-	-	-
Acquisitions	-	-	1.83	-	-
Actuarial (gains)/ losses	1.10	(0.38)	(1.79)	(2.29)	(0.19)
Benefits paid	(3.57)	(2.67)	(1.30)	(0.76)	(0.37)
Present Value of DBO at the end of the year	40.80	32.17	25.31	17.64	12.36
Change in fair value of assets					
Plan assets at beginning of period	0.74	1.03	1.09	1.58	1.76
Expected return on plan assets	0.06	0.07	0.09	0.16	0.13
Actual contributions	-	-	1.10	0.09	0.03
Benefits paid	-	(0.30)	(1.20)	(0.76)	(0.37)
Actuarial gains/ (losses)	(0.03)	(0.07)	(0.05)	0.02	0.03
Plan assets at the end of the year	0.77	0.73	1.03	1.09	1.58
Actuarial assumption					
Discount rate	7.80%	9% to 8%	8.5% to 8%	8.5% to 8%	8.5% to 8%
Expected return on plan assets	8.00%	0% to 9%	0% to 9%	0% to 9%	0% to 9%
Salary escalation	5% to 6%	4% to 15%	4% to 15%	4% to 15%	4% to 15%
Attrition rate	16% to 44%	15% to 48%	15.00%	15.00%	15.00%
Retirement age	58 years	58 years	58 years	58 years	58 years
Mortality	Indian Assured Lives Mortality (2006-08) modified Ult		LIC (94-96) mortality table		

Note:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

- (ii) Compensated absence: This employee benefit is not funded. The actuarial assumptions used in valuation of long-term compensated absences as at the period-end are given below

Compensated absence:	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Expenses / (Reversal of expenses) for compensated absences recognised in the Consolidated Statement of Profit and Loss	6.86	7.76	5.38	(2.74)	4.86
Actuarial assumption					
Discount rate	7.80%	9% to 8%	8.5% to 8%	8.5% to 8%	8.5% to 8%
Expected return on plan assets	NA	NA	NA	NA	NA
Salary escalation	5.00%	4% to 15%	4% to 15%	4% to 15%	4% to 15%
Attrition rate	16% to 44%	15% to 48%	15.00%	15.00%	15.00%
Retirement age	58 years	58 years	58 years	58 years	58 years
Mortality	Indian Assured Lives Mortality (2006-08) modified Ult		LIC (94-96) mortality table		

e) Employee Stock Option Scheme

- (i) In the extraordinary general meeting held on 25 August, 2010, the shareholders had approved the issue of 1,800,000 options under the Scheme titled “Employee Stock Option Scheme 2010 (ESOP 2010). The ESOP 2010 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. The option holders may exercise those options vested based on passage of time commencing from the expiry of 4 years from the date of grant and those vested based on performance immediately after vesting, within the expiry of 10 years from the date of grant.

On 16 June, 2010, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

In the extraordinary general meeting held on 31 March, 2015, the shareholders approved for accelerated vesting of options outstanding as at 31 March, 2015. Accordingly, all the options outstanding were vested in the hands of option holders as at 31 March, 2015. Further, the remaining options available for grant under ESOP 2010 were transferred to ESOP 2014 scheme.

- (ii) Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March, 2014 and 25 August, 2010, the Board of Directors formulated the Scheme titled “Employee Stock Option Scheme 2014” (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Options Granted under ESOS 2014 would Vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

The Company granted 1,250,000 options to the Director of the Company on 1 April, 2014 and 110,100 options on 24 June, 2014 to the eligible employees. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

The grant date fair market value of the options granted through the stock option plan was measured based on Black Scholes method. Expected volatility is estimated by considering historic average share price volatility.

- (iii) **The detail of fair market value and the exercise price is as given below:**

Particulars	ESOP 2010	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	1-Apr-14	24-Jun-14
Fair market value of option at grant date (Rs.)	23.10	8.71	73.34
Fair market value of share at grant date (Rs.)	29.18	78.95	78.95
Exercise price (Rs.)	10.00	110.68	10.00

(iv) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Option outstanding at the beginning of the period:					
- ESOP 2010	1,130,300	1,294,800	1,294,800	1,294,800	-
- ESOP 2014	-	-	-	-	-
Granted during the period/ year:					
- ESOP 2010	-	-	-	-	1,294,800
- ESOP 2014	1,360,100	-	-	-	-
Exercised during the period/ year:					
- ESOP 2010	-	-	-	-	-
- ESOP 2014	-	-	-	-	-
Lapsed during the period/ year:					
- ESOP 2010	61,106	164,500	-	-	-
- ESOP 2014	-	-	-	-	-
Options outstanding at the end of the period/ year:					
- ESOP 2010	1,069,194	1,130,300	1,294,800	1,294,800	1,294,800
- ESOP 2014	1,360,100	-	-	-	-
Options available for grant:					
- ESOP 2010	-	669,700	505,200	505,200	505,200
- ESOP 2014	2,870,706	-	-	-	-

(v) Assumptions used in calculating the fair value is as given below:

Assumptions	ESOP 2010	ESOP 2014	ESOP 2014
Grant date	16-Jun-10	1-Apr-14	24-Jun-14
Risk Free Interest Rate	7.67%	8.56%	8.70%
Expected Life	6.50	1.80	6.50
Expected Annual Volatility of Shares	0.00%	33.31%	44.48%
Expected Dividend Yield	0.00%	0.00%	0.00%

f) Expenses and borrowing cost capitalised as fixed assets/capital work in progress

Below mentioned expenditure are specifically attributable to the acquisition of a fixed asset or bringing it to its working condition, and hence capitalised as part of the cost of the fixed asset.

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Personnel Cost	9.80	1.95	1.54	9.79	-
Medical Consultancy Charges	5.00	-	1.55	-	-
Consultancy charges	-	-	-	1.50	-
Consumables	0.04	0.26	0.25	2.07	-
Rental Charges	16.82	10.26	7.48	21.59	18.76
Legal and professional charges	0.90	2.58	5.43	1.07	2.58
Other expenses	1.32	1.69	1.72	6.00	3.37
Exchange (gain)/ loss	17.51	30.41	19.09	28.49	(0.60)
Gross expenses	51.39	47.15	37.06	70.51	24.11
Less: Preoperative revenue	-	(0.19)	(0.16)	(3.16)	-
Expenses capitalised (net)	51.39	46.96	36.90	67.35	24.11

Details of borrowing costs capitalised

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Loan commitment charges	-	-	-	-	0.16
Borrowing cost	-	-	-	13.78	15.66

g) Segment information

The Group's operations comprises of only one segment viz., setting up and managing cancer hospitals, cancer centers and medical diagnostic services. The Group's operations are in India and therefore there are no secondary geographical segments.

h) Details of operating leasing arrangements

The Group has taken premises on non-cancellable operating lease. The period of lease ranging from 10 to 15 years. Escalation clauses ranges from 10% to 15% over a period ranging from 3 to 5 years. The details of rent paid and the future minimum lease rentals are as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Future minimum lease payments:					
- Upto One year	121.21	109.02	99.30	48.06	74.85
- More than one year and upto five years	516.26	431.11	462.86	207.26	283.05
- More than five years	763.61	623.66	688.85	192.42	1,359.27
Expenditure on lease payments with respect to above mentioned operating lease arrangements.	126.98	124.86	75.62	48.94	69.41
Less: Expenses capitalised	(13.66)	(10.26)	(7.48)	(21.59)	(18.75)
Expenditure recognised in the Consolidated Statement of Profit and Loss	113.32	114.60	68.14	27.35	50.66

The Company's significant cancellable leasing arrangements are mainly in respect of its hospital premises and equipments. The aggregate lease rentals on these cancellable arrangements charged to the Consolidated Statement of Profit and Loss is given below:

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Lease rentals on cancellable arrangements	60.29	41.20	24.32	18.55	11.40
Less: Expenses capitalised	(4.06)	-	-	-	-
Expenditure recognised in the Consolidated Statement of Profit and Loss	56.23	41.20	24.32	18.55	11.40

i) Details of finance lease arrangements

The Group has acquired certain building and medical equipments under finance lease. The details of future minimum lease payment and reconciliation of gross investment in the lease and payment value of minimum lease payments are given below:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Future minimum lease payments:					
- Upto One year	83.32	78.32	71.39	58.80	11.24
- More than one year and upto five years	324.77	330.28	334.60	289.76	63.55
- More than five years	1,956.63	2,034.44	2,108.44	1,880.10	547.33
	2,364.72	2,443.04	2,514.43	2,228.66	622.12
Less: Unamortised finance charges	(1,715.62)	(1,779.95)	(1,842.22)	(1,629.91)	(495.68)
	649.10	663.09	672.21	598.75	126.44
Present value of minimum lease payments payables:					
- Upto One year	16.85	13.99	9.12	5.57	0.27
- More than one year and upto five years	33.41	50.26	64.25	58.18	-
- More than five years	598.84	598.84	598.84	535.00	126.17
	649.10	663.09	672.21	598.75	126.44

j) **Deferred tax**

i) **Deferred tax liability**

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Tax effect of items constituting deferred tax liability:					
- On difference between book balance and tax balance of fixed assets	7.77	38.80	34.57	47.80	30.49
Tax effect of items constituting deferred tax assets:					
- Provision for doubtful debts / advances	-	(0.24)	(0.24)	(1.82)	(0.43)
- Disallowances under Section 43B of the Income Tax Act, 1961	(2.62)	(1.29)	(1.05)	(1.39)	(0.47)
- Unabsorbed depreciation and business losses carried forward	-	(25.20)	(18.71)	(29.06)	(14.89)
Deferred tax liability (net)	5.15	12.07	14.57	15.53	14.70

ii) **Deferred tax asset**

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Tax effect of items constituting deferred tax liability:					
- On difference between book balance and tax balance of fixed assets	(485.50)	(440.39)	(350.73)	(423.17)	(241.68)
Tax effect of items constituting deferred tax assets:					
- Provision for doubtful debts / advances	87.40	76.85	27.68	18.15	9.84
- Disallowances under Section 43B of the Income Tax Act, 1961	27.11	25.40	13.59	185.04	51.92
- Unabsorbed depreciation and business losses carried forward	429.78	340.40	320.84	237.66	199.04
Deferred tax asset (net)	58.79	2.26	11.38	17.68	19.12

Note: The Group has recognised deferred tax asset on unabsorbed depreciation and / or carried forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

k) **Changes in useful life of fixed assets**

During the year ended 31-Mar-15, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1-Apr-14, the estimated useful life of some of the fixed assets have been revised, to align with those specified in Schedule II. The details of previously applied depreciation useful life are as follows:

Asset	Previous depreciation useful life	Revised useful life
Buildings	60 years	60 years
Assets acquired on finance lease and Leasehold Improvements	Over the Lease Period	Over the Lease Period
Data Processing Equipments	5.86 years	3 - 6 years
Laboratory Equipment	13.44 years	10 years
Plant & Machinery (including medical equipments)	10 - 20 years	10 - 15 years
Electrical Installation	10 years	20 years
Furniture and Fixtures	15 years	10 years
Office Equipments	13.44 years	5 years
Vehicles	10 years	8 years
Software used in Plant & Machinery	15 years	13 years
Data Processing Software	5.86 years	6 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, in respect of the assets having no remaining useful life as on 1-Apr-14, the carrying value of those assets have been fully depreciated, net of residual value, and an amount of Rs. 7.15 Million (net of deferred tax of Rs. 3.92 Million) has been adjusted against the opening Surplus / (Deficit) balance in the Consolidated Statement of Profit and Loss under Reserves and Surplus after adjusting Rs. 0.48 Million against the minority interest pertaining to minority share of depreciation. The depreciation expense in the Consolidated Statement of Profit and Loss for the year ended 31-Mar-15 is higher by Rs. 10.46 Million consequent to the change in the useful life of the assets.

l) **Share application money pending allotment as at 31-Mar-11:**

The Company had made a Rights Issue of its equity shares, in the ratio of 11 shares for every 100 shares held in the Company as on 10-Mar-2011, being the record date for the Issue. The issue price per share was Rs. 86.30/- per share, and was declared as partly payable on issue at Rs. 43.15/- per share and the remaining to be called up as first and final call money within six months from the record date. The Company received Rs 72.89 Million till 31-Mar-11 being the partly paid amount of 1,689,254 shares. During the year ending March 2012, the Company received the balance call money and allotted these shares.

Annexure 6: Consolidated Summary Statement of Share Capital, as restated

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Authorised capital					
Equity shares of Rs.10/- each, with voting rights					
- Number of shares	127,000,000	120,000,000	120,000,000	65,000,000	65,000,000
- Amount in Rs. Million	1,270.00	1,200.00	1,200.00	650.00	650.00
Issued, subscribed and paid-up capital					
A. Fully paid-up					
Equity shares of Rs.10/- each, with voting rights					
- Number of shares	69,983,808	68,245,112	65,534,814	59,271,741	53,303,500
- Amount in Rs. Million	699.84	682.45	655.35	592.72	533.04
B. Partly paid-up					
Equity shares of Rs.10/- each with voting rights, Rs.5/- partly paid up					
- Number of shares	-	-	2,710,298	-	-
- Amount in Rs. Million	-	-	13.55	-	-
Total paid-up capital (Amount in Rs. Million)	699.84	682.45	668.90	592.72	533.04

a) Terms & Rights attached to each class of shares:

The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

b) Details of Shareholders holding more than 5% shares in the Company

Name of shareholder	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Dr B.S Ajai Kumar					
- Number of equity shares of Rs. 10 each	17,393,082	16,234,334	16,234,334	15,769,350	15,173,486
- Percentage of holding (%)	24.85%	23.79%	24.27%	26.61%	28.47%
Evolve India Life Sciences Fund LLC					
- Number of equity shares of Rs. 10 each	-	-	-	5,388,006	5,388,006
- Percentage of holding (%)	0.00%	0.00%	0.00%	9.09%	10.11%
PI Opportunities Fund 1					
- Number of equity shares of Rs. 10 each	15,380,000	15,380,000	15,380,000	12,669,702	4,826,530
- Percentage of holding (%)	21.98%	22.54%	22.99%	21.38%	9.05%
IL&FS Trust Company Limited A/c Milestone Private Equity Fund					
- Number of equity shares of Rs. 10 each	12,877,583	12,877,583	12,877,583	12,104,411	11,785,207
- Percentage of holding (%)	18.40%	18.87%	19.25%	20.42%	22.11%
Napean Investments and Trading Company Private Limited					
- Number of equity shares of Rs. 10 each	-	-	-	-	6,587,616
- Percentage of holding (%)	0.00%	0.00%	0.00%	0.00%	12.36%
V Sciences Investments Pte. Limited					
- Number of equity shares of Rs. 10 each	11,770,805	11,770,805	11,770,805	-	-
- Percentage of holding (%)	16.82%	17.25%	17.60%	0.00%	0.00%

c) Aggregate number of equity shares of Rs. 10 each allotted as fully paid up without payment being received in cash

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(a) pursuant to contract without payment being received in cash	750,126	750,126	750,126	750,126	750,126
(b) by way of bonus shares	35,625,585	35,625,585	35,625,585	35,625,585	35,625,585
(c) pursuant to merger without payment being received in cash	684,802	104,854	104,854	104,854	-

Note: Shares pending allotment without payment being received in cash pursuant to merger have not been included in the above table since allotment was not completed as at the aforesaid dates.

d) Number of equity shares of Rs.10/- each reserved for issuance

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
a) to eligible employees under Employee Stock Option Scheme	5,300,000	1,800,000	1,800,000	1,800,000	1,800,000
b) pursuant to outstanding share warrants	950,341	2,109,089	1,205,584	1,205,584	-
c) to minority shareholders pursuant to merger	846,760	579,948	579,948	-	104,854

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 7: Consolidated Summary Statement of Reserves and Surplus, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(a) Capital reserve						
Opening balance		3.90	-	-	-	-
Add: Additions during the year						
- on purchase of investments in HealthCare Global (Uganda) Private Limited		-	1.58	-	-	-
- on acquisition of additional stake in HCG Regency Oncology Private Limited		1.70	2.32	-	-	-
- on merger of HCG Vijay Oncology Private Limited with the Company		19.05	-	-	-	-
Less: Transferred during the year						
- Transfer of capital reserve on merger of HCG Vijay Oncology Private Limited with the Company to Surplus / (Deficit) in Consolidated Statement of Profit and Loss		(19.05)	-	-	-	-
Closing balance	A	5.60	3.90	-	-	-
(b) Securities premium account						
Opening balance		2,341.79	2,205.52	1,455.50	1,008.12	949.73
Add: Premium on shares issued during the year		88.41	136.44	767.00	447.38	59.47
Less: Adjustment pursuant to merger		-	-	(14.43)	-	-
Less: Utilised during the year for share issue expenses		-	(0.17)	(2.55)	-	(1.08)
Closing balance	B	2,430.20	2,341.79	2,205.52	1,455.50	1,008.12
(c) Share options outstanding account						
Opening balance		23.31	18.64	18.64	18.64	-
Add: Amounts recorded on grants during the year		18.96	-	-	-	18.64
Add: Amounts recorded on change in estimated forfeitures during the year		0.98	4.67	-	-	-
		43.25	23.31	18.64	18.64	18.64
Less: Deferred stock compensation expense		(8.88)	(0.92)	(5.14)	(9.63)	(14.66)
Closing balance	C	34.37	22.39	13.50	9.01	3.98
(d) Exchange reserve (on consolidation)						
Opening Balance		0.22	-	-	-	-
Add: Transactions during the year		(0.49)	0.22	-	-	-
Closing balance	D	(0.27)	0.22	-	-	-
(e) Surplus / (Deficit) in Consolidated Statement of Profit and Loss						
Opening balance		(418.86)	(59.72)	55.12	91.39	28.40
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred taxes Rs. 3.92 Million)		(7.15)	-	-	-	-
Add: Transfer from capital reserve on merger of HCG Vijay Oncology Private Limited		19.05	-	-	-	-
Add: Adjustment of deficit balance pertaining to the HCG Vijay Oncology Private Limited pursuant to merger		17.57	-	-	-	-
Add: Profit/ (Loss) for the year		5.46	(355.53)	(105.14)	(33.31)	62.99
Less: Adjustment on change in holding of interest in subsidiaries		0.64	(3.61)	(9.70)	(2.96)	-
Closing balance	E	(383.29)	(418.86)	(59.72)	55.12	91.39
Total (A + B + C + D + E)		2,086.61	1,949.44	2,159.30	1,519.63	1,103.49

Note:

Opening balance of securities premium account as at 1-Apr-2010 is after reduction of following amounts pursuant to merger of Banashankari Medical and Oncology Research Center Limited with effect from appointed date 1-Apr-2009, given effect in the audited financial statements in the year ended 31-Mar-2011:

- Rs. 42.13 Million: towards cancellation of excess of cost of investment over the net assets merged with the Company after deduction of consideration to be issued to the minority shareholders, and
- Rs. 81.71 Million: for adjustment of net debit balance in Consolidated Statement of Profit and Loss (deficit)

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

(Amount in Rs. Million)

		(Amount in Rs. Million)				
Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Secured loans						
- Term loans from banks		1,757.05	1,336.78	1,430.81	571.30	610.25
- Term loans from other parties		134.56	180.71	226.81	218.65	61.52
- Vehicle Loans		4.10	0.94	-	-	-
- Working capital loans		292.71	127.78	317.51	469.63	208.88
Total	A	2,188.42	1,646.21	1,975.13	1,259.58	880.65
Unsecured loans						
- Term loans from other parties		6.41	8.60	8.50	12.17	12.67
- Fully convertible 8% debentures		-	-	-	35.70	35.70
- Long-term maturities of finance lease obligations		649.10	663.09	672.21	598.75	126.44
- Deferred payment liabilities		642.75	553.50	423.74	262.50	282.82
- Inter-corporate deposits		-	50.00	-	-	-
Total	B	1,298.26	1,275.19	1,104.45	909.12	457.63
Total borrowings (A + B)		3,486.68	2,921.40	3,079.58	2,168.70	1,338.28
Total borrowings represented by:						
- Long-term borrowings		2,802.37	2,518.01	2,393.39	1,353.98	937.20
- Short-term borrowings		292.71	179.98	380.20	517.24	215.74
- Current maturities of long-term borrowings (included in other-current liabilities)		391.60	223.41	305.99	297.48	185.34
Total		3,486.68	2,921.40	3,079.58	2,168.70	1,338.28

Note: As at 31-Mar-15, there is no outstanding balance of amount borrowed from promoter / other related parties.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

a) Secured term loans from Banks

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	No. of Installments outstanding as at 31- Mar-15	Prepayment Charges	Security
1	State Bank of India	18.45	Base rate 9.75% + Spread 2.40%	To be repaid in 96 monthly installments after a moratorium of 15 months from the date of disbursement.	38	Prepayment charges as applicable.	(i) Hypothecation of medical equipments and other fixed assets purchased /proposed to be purchased out of bank finance. (ii) Collateral: Extension of equitable mortgage over immovable property 1813.54sqmtrs of land (Subplot No. 1) with entire superstructure of building known as HCG Medisurge Hospitals situated at 1, Maharashtra society, Near Mithakali Six road, Ahmedabad. (iii) Corporate Guarantee of the Company.
2	Yes Bank Limited	88.57	Base rate 10.75% + Spread 1.25%	To be repaid in 84 equal monthly installments after a moratorium of 12 months from the date of first disbursement.	62	Prepayment penalty of 1% will be charged at the sole discretion of the Bank if loan is prepaid out of borrowed proceeds from Banks, Financial institutions or others. Else, no prepayment penalty.	(i) Second pari passu charge on immovable and movable fixed assets and current assets (present and future) of the Company. (ii) Exclusive charge on all current assets and all receivables (present and future) and movable fixed assets (present and future), not charged exclusively to any lender of HCG Balabhai Nanavati Hospital Cancer Care Centre.
3	Yes Bank Limited	1,054.70	Base rate 10.75% + Spread 1.25%	To be repaid in 36 structured quarterly installments after a moratorium up to March 2014 Door to door tenor up to March 2023	32		(i) First charge on all immovable fixed assets(land and building structures) and movable fixed assets(both present and future) of the Company not charged exclusively to any other lender. (ii) Second pari passu charge on all current assets and all receivables (present and future). (iii) Exclusive charge on all equipment purchased from these facilities.
4	Yes Bank Limited	118.50	Base rate 10.75% + Spread 1.25%	To be repaid in 28 structured quarterly installments. Door to door tenor of 10 years including a moratorium of 3 years.	28		DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

a) Secured term loans from Banks

5	Yes Bank Limited	102.50	Base rate 10.75% + Spread 1.25%	To be repaid in quarterly structured installments. Door to door tenor of 10 years including a 1 year moratorium	36	Prepayment penalty of 1% will be charged at the sole discretion of the Bank if loan is prepaid out of borrowed proceeds from Banks, Financial institutions or others. Else, no prepayment penalty.	(i) Exclusive charge on all equipment purchased from these facilities (ii) Extension of exclusive charge on assets/equipments purchased/ to be purchased with existing Yes bank facilities. (ii) Exclusive charge on all current assets and all receivables (present and future) and movable fixed assets (present and future) of HCG Balabhai Nanavati Hospital Cancer Care Centre (iii) Second pari passu charge on immovable and movable fixed assets and current assets (present and future) of the Company (iv) DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created. Minimum security cover of 1.25 times through charge on equipments.
6	State Bank of India	19.82	Base rate 10.00% + Spread 3.75% and Tenor Premium 0.1%	To be repaid in 27 quarterly installments.	5	Prepayment charges as applicable.	(i) The assets purchased out of the proceeds of the loan. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by the Company and personal guarantee provided by the promoter, Dr. M. Gopichand
7	State Bank of India	19.57	Base rate 10.00% + Spread 3.75% and Tenor Premium 0.1%	To be repaid in 21 structured quarterly installments.	11		(i) The assets purchased out of the proceeds of the loan. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by the Company and personal guarantee provided by the promoter, Dr. M. Gopichand.
8	State Bank of India	2.30	Base rate 10.00% + Spread 3.75% and Tenor Premium 0.1%	To be repaid in 48 monthly installments commencing from October 2013.	23		(i) The assets purchased out of the proceeds of the loan. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by the Company and personal guarantee provided by the promoter, Dr. M. Gopichand.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

a) Secured term loans from Banks

9	Axis Bank Limited	33.70	Base rate 10.15% + Spread 1.65%	To be repaid in 25 equal quarterly installments commencing after the moratorium of 12 months from the date of first disbursement. Door to door tenor of 7 years including 1 year moratorium	25	No Prepayment charges if funds are used from Internal Accruals or Infusion of Equity. But otherwise, the charges to be decided by Bank.	(i) Pari passu first charge on all assets of BACC Healthcare, except those assets specifically funded to be funded by any other bank. (ii) Exclusive first charge on all assets of BACC Healthcare funded/ part funded out of the facility. (iii) Exclusive charge by way of hypothecation on security deposits to be placed with the lessor for each centre and incorporated in the lease/license agreement for the property rented to operate each of the centre. In case the lease/license agreement has already been executed, the borrower shall provide a side letter from the lessor (As per bank's format) to ensure that the above structure is operationalised. (iv) Corporate guarantee of Healthcare Global Enterprises Limited
10	State Bank of Mysore, Shimoga	1.12	Base rate 10.25% + Spread 2.75%	To be repaid in 84 structured equal monthly installments.	60	Prepayment charges, as applicable, will be payable	(i) Hypothecation of the Machinery/Equipments financed from the proceeds of the facility (ii) Personal Guarantee of the directors, Dr T Narendra Bhat & Dr Mallesh Hullamani.
11	State Bank of India	133.68	Base rate 9.75% + Spread 2.40%	To be repaid in 84 structured installments.	53	Prepayment Charges as applicable by the bank.	(i) Hypothecation of medical equipments and other fixed assets purchased /proposed to be purchased out of bank finance. (ii) Collateral: Extension of equitable mortgage over immovable property 1813.54sqmtrs of land (Subplot No. 1) with entire superstructure of building known as HCG Medisurge Hospitals situated at 1, Maharashtra society, Near Mithakali Six road, Ahmedabad. (iii) Corporate Guarantee of the Company.
12	State Bank of India	13.88	Base rate 9.75% + Spread 2.40%	To be repaid in 60 structured monthly installments.	18	Prepayment Charges as applicable by the bank.	(i) Clean Term Loan. No Security (ii) Collateral: Extension of equitable mortgage over immovable property 1813.54sqmtrs of land (Subplot No. 1) with entire superstructure of building known as HCG Medisurge Hospitals situated at 1, Maharashtra society, Near Mithakali Six road, Ahmedabad. (iii) Corporate Guarantee of the Company.
13	Bank of Baroda	150.26	Base rate 10.25% + Spread 2.25%	To be repaid in 96 monthly installments commencing from July 2017	96	0.5% p.a for residual period of term loan	(i) Demand promissory note in favour of the lender. (ii) Letter of instalment with acceleration clause. (iii) Hypothecation of machinery/ equipment to be acquired from the proceeds of the facility. (iv) Undertaking for payment to be made directly to the dealer. (v) Equitable mortgage of land and building at plot no. 117/127/A-4, Block C, Scheme No. 1, Sarvodaya Nagar measuring 1,742.48 square feet. (vi) Equitable Mortgage of proposed civil construction to be done out of Bank finance for proposed hospital. (vii) Hypothecation of stock/ consumables and book debts Corporate guaranties by our HealthCare Global Enterprises Ltd and Regency Hospitals Limited & Personal Guarantees from Dr Atul Kapoor & Dr Rashmi Kapoor.
		1,757.05					

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

b) Secured term loans (equipment finance loans) from other parties

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	No. of Installments outstanding as at 31-Mar-15	Prepayment Charges	Security
1	Siemens Financial Services Private Limited	0.64	13.50%	To be repaid in 60 equal monthly installments commencing 30 days from the date of disbursement being July 27, 2012. Tenor of 60 months	28	4% on the prepaid amount/amount outstanding	Exclusive charge by way of hypothecation over the Siemens Multimobil 5C, locted at SMH Curie Cancer Centre, Shanti Mukund Hospital, No. 2, Institutional Area, Karakaradooma, Delhi- 10092.
2	Siemens Financial Services Private Limited	0.64	14.00%	To be repaid in 48 structured monthly installments.	23	4% on the prepaid amount/amount outstanding	Exclusive charge by hypothecation of the Siemens Acuson X 300 2.0 and the Siemens Mobile X-Ray Multimobile 2.5 financed from the loan.
3	Siemens Financial Services Private Limited	1.03	13.50%	To be repaid in 60 months.	33	4% on the prepaid amount/amount outstanding	Exclusive charge by way of hypothecation over the RS Mammography Mammomat 3000 with Biopsy Plate.
4	SREI Equipment Finance Private Limited	5.31	14.05%	To be repaid in 72 structured equal monthly installments.	46	Premium of 2% exclusive of any taxes , surcharge cess, or any other levies over the Net present value of Repayment installments prepaid and discounting of all the future repayment installments at bank rate declared by RBI	Exclusive charge by way of hypothecation over the1 No. GE Carbon – 11 Target.
5	SREI Equipment Finance Private Limited	3.34	9.22%	To be repaid in 56 structured equal monthly installments over a period of 60 months.	30	None	Exclusive charge by way of hypothecation over the CT Scan (Gold Seal) machines.
6	SREI Equipment Finance Private Limited	3.60	9.22%	To be repaid in 56 structured equal monthly installments over a period of 60 months.	29	None	Exclusive charge by way of hypothecation over the CT Scan (Gold Seal) machines.
7	SREI Equipment Finance Private Limited	48.23	4.64%	To be repaid in 51 structured monthly installments over a period of 85 months	49	None	Exclusive charge by way of hypothecation over the Cathlab Machine- GE IGS 540 along with accessories.
8	SREI Equipment Finance Private Limited	1.20	12.76%	To be repaid in 84 monthly installments.	57	None	Exclusive charge by way of hypothecation over the Cathlab Machine- GE IGS 540 along with accessories.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

b) Secured term loans (equipment finance loans) from other parties

9	SREI Equipment Finance Private Limited	48.68	8.25%	To be repaid in 72 monthly unequal installments.	14	4% on the prepaid amount/amount outstanding excluding service tax	Exclusive charge by way of hypothecation over the PET CT and MRI 3 TESLA, machinery spares, tools and accessories, present and future, subject to the prior charges created and or to be created.
10	SREI Equipment Finance Private Limited	18.96	12.00%	To be repaid in 72 monthly unequal installments	58	The prepayment amount payable will be calculated by applying the discount rate (lower of the below two) on the "Money Payable": a) Original Expected Lessor IRR less 1% b) reinvestment rates for an economically equivalent lease proposal at the present transaction	Exclusive charge by way of hypothecation over Innova Optima Edition 2100 Cathlab.
11	Siemens Financial Services Private Limited	0.75	13.50%	To be repaid in 60 monthly installments	29	4% on the prepaid amount/amount outstanding	The facility has been secured by way of a demand promissory note.
12	Siemens Aktiengesellschaft, Medical Solutions	2.18	2.45%	To be repaid in 24 quarterly installments	11	None	Secured by machine purchased out of this facility.
		134.56					

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

c) Secured vehicle loans from bank and other parties

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	Prepayment Charges
1	Kotak Mahindra Prime Limited	0.50	10.80%	To be repaid in 36 monthly installments	5.85% of principal outstanding
2	HDFC Bank Limited	0.98	10.50%	To be repaid in 36 monthly installments	None
3	ICICI Bank Limited	2.29	10.75%	To be repaid in 60 equal monthly installments	The lesser of the following: 1) 5% of principal outstanding plus Service tax 2) Interest outstanding for the unexpired period of the loan
4	State Bank of Mysore	0.33	10.75% Floating, Monthly Rests	To be repaid in 84 equal monthly installments	Nil
		4.10			

The above loans are secured by vehicle purchased out of amount financed

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

d) Secured working capital loans from banks

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Security
1	ICICI Bank Limited	91.56	Base rate +2%	(i). First pari passu charge on entire current assets of the borrower both present and future (excluding current assets of HCG Balabhai Nanavati Hospital Multispeciality unit of HCG Medisurge which got demerged) (ii). Second pari passu charge on present and future fixed assets of the borrower along with the other lenders (other than present and future assets required to be exclusively charged/ charged on first ranking basis to new term lenders)
2	Axis Bank Limited	76.66	Base rate +2.5%	(i). First pari passu charge over current assets (excluding current assets of Healthcare Global- Balabhai Nanavati Hospital Cancer Care centre)with other working capital lenders. (ii). Second pari passu charge on movable fixed assets of the company, other than those exclusively charged to the lenders for their WC/ TL facilities, and equipment financiers for their equipment finance facilities and excluding movable fixed assets of HCG- BNH hospital. (iii). Second pari passu charge on immovable fixed assets comprising of following immovable properties: a) Property bearing old municipal no. 6 now changed as no. 7, ward no. 7, Sampangiramnagar, PID No. 77 -1-7 measuring 16961.8 sqft. b) Property No. 5(CTS 487), 2nd cross, Sreenivasa colony Div 44 Bangalore, measuring East to west 115+112/2 X 68+50/2 c) Property bearing No. 6, P Kalinga Rao road, measuring 18910 sqft having built up area of 3566.33 sqmts. d) Leasehold rights over a portion of property bearing old municipal no. 6 now no. 7, Now 7/1, Ward No. 77, Sampangiramnagar, having PID No. 77-1-7 measuring East to west 152ft 6 inches and North to south 45 ft. (iv). Personal Guarantee of Dr. B.S Ajai Kumar (v) Letter of comfort from subsidiaries where the borrower has 90% or higher shareholding.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

d) Secured working capital loans from banks

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Security
3	Yes Bank Limited	73.64	Base rate +1.25%	(i) First pari passu charge over current assets and receivables (both present and future of HCGEL) (ii) Second pari passu charge on immovable fixed assets and movable fixed assets (both present and future) of HCGEL excluding assets charged exclusively to lender. (iii) Exclusive charge on current assets and all the receivables(both present and future) and moveable fixed assets (both present and future, not charged exclusively to any lender) of HCG BNH
4	HDFC Bank Limited	30.93	HDFC base rate+225bps	(i) Pari Passu charge on all current assets (ii) 2nd charge on land and buildings of HCG towers bearing municipal No. 7& 8 owned by the company.
5	State Bank of India	16.90	Base rate+2.25%	(i) Primary- Hypothecation of stocks and receivables of the company. (ii) Collateral- Extension of equitable mortgage over immovable property 1813.54sqmtrs of land (Subplot No. 1) with entire superstructure of building known as HCG Medisurge Hospitals situated at 1, Maharashtra society, Near Mithakali Six road, Ahmedabad.
6	State Bank of India	3.02	Base rate +3.75%	(i) Primary- Hypothecation of stocks and receivables. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District (iii) Corporate guarantee provided by our Company and personal guarantee provided by the promoter, Dr. M. Gopichand
		292.71		

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

e) Unsecured borrowings - Term loans from other parties: Rs. 6.41 Million is an interest free loan provided by the other partner of HealthCare Diwan Chand Imaging LLP, repayable as and when funds are available.

f) Unsecured borrowings - Finance lease obligations

No	Particulars	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
1	Capitalisation of Building taken for Long Term capitalised under Finance Lease as per AS-19	598.84	12.00%	Refer Note i) under 'B. Notes to Accounts' in Annexure 5 for minimum lease payments
2	Plant and equipments under finance lease.	50.26	5.86%	
		649.10		

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

g) Unsecured borrowings - Deferred payment liabilities for purchase of Medical equipments

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
1	Elektta Limited	83.25	4.25% every six months	5% of the amount has been paid as down payment. 95% of the amount to be paid in seven half yearly installments commencing from June 2015.
2	Varian Medical Systems	31.23	0	USD 100,000 to be paid within 30 days on shipment i.e., by Sep 2013, USD 2,00,000 within 12 months from the date of shipment and USD 1,99,000 with 30 days after 24 months from the date of shipment. As per the information and explanations given to us, the Company has agreed for change in repayment terms orally such that the repayments will commence once the other medical equipments (to which the accessories financed out of this loan) are purchased. The Company is in the process of entering into a written agreement to consider these revised repayment terms.
3	Varian Medical Systems	32.38	1.15% p.a. excluding applicable taxes	3years Letter of credit, paid in April 2015
4	Varian Medical Systems	10.64	1.15% p.a. excluding applicable taxes payable quaterly in advance	3years Letter of credit, payable in Oct 2015

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

5	WIPRO GE Healthcare Private Limited	53.20	0.75%p.a +Service tax, collected upfront.	3years Letter of credit, USD 824,500 payable in Dec2017 and balance USD 25,500 payable in Jan 2018.
6	WIPRO GE Healthcare Private Limited	23.20	0.75%p.a +Service tax, collected upfront.	Letter of credits of unequal amounts payable in July 2016, Nov 2016 and Dec 2016.
7	WIPRO GE Healthcare Private Limited	46.66	0.75%p.a +Service tax, collected upfront.	3years Letter of credit, payable in Nov 2016
8	WIPRO GE Healthcare Private Limited	2.75	0.75%p.a +Service tax, collected upfront.	3years Letter of credit, payable in July 2016
9	Siemens Aktiengesellschaft, Medical Solutions	59.46		0 To be repaid in three equal installments,with 1st installment payable in Oct 2015, 2nd installment payable in Oct 2016, 3rd installment payable in Sep 2017.
10	Siemens Aktiengesellschaft, Medical Solutions	59.46		0 To be repaid in three equal installments,with 1st installment payable in Dec 2015, 2nd installment payable in Dec 2016, 3rd installment payable in Nov 2017.
11	Siemens Aktiengesellschaft, Medical Solutions	49.45		0 Bullet repayment in July 2016
12	Siemens Aktiengesellschaft, Medical Solutions	10.11	2.45%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 24 quaterly structured installments ending in Nov 2017.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 8: Consolidated Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

13	Siemens Aktiengesellschaft, Medical Solutions	10.11	2.45%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 24 quarterly unequal tranches ending on Oct 2017.
14	Siemens Aktiengesellschaft, Medical Solutions	54.94	2.45%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 24 quarterly unequal tranches ending on Oct 2017.
15	Siemens Aktiengesellschaft, Medical Solutions	36.93	0	Bullet repayment in Nov 2016
16	Siemens Aktiengesellschaft, Medical Solutions	45.38	1.15% p.a. payable quaterly in advance	Bullet repayment in Aug 2015
17	Elekta Limited	7.31	4.25%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 7 equal tranches over 5 years from date of shipment ending Jan 2018.
18	Varian Medical Systems	26.29	0%	Structured payments to be made over a period of 5 years as set out in the purchase order, ending on May2016.
		642.75		

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 9: Consolidated Summary Statement of Fixed Assets, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Gross block						
Tangible assets						
- Land (freehold)		461.93	379.29	379.29	378.11	116.89
- Buildings (freehold)		689.14	672.32	662.90	599.26	563.88
- Buildings (under finance lease)		598.84	598.84	598.84	519.64	126.17
- Plant and equipments (owned)		3,379.00	3,105.69	2,738.66	2,226.16	1,739.77
- Plant and equipments (under finance lease)		80.30	80.30	80.30	80.30	-
- Medical equipments (owned)		254.85	217.65	195.56	190.37	134.49
- Lab equipments (owned)		59.13	57.41	48.66	46.34	45.51
- Data processing equipments (owned)		76.88	59.30	46.51	39.39	31.17
- Electrical installations		35.78	34.91	34.32	34.07	31.90
- Furniture and fixtures (owned)		142.12	129.16	121.32	109.21	64.63
- Vehicles (owned)		20.97	12.76	12.55	9.81	9.52
- Office equipments (owned)		44.70	36.13	25.82	11.77	10.42
- Leasehold improvements		521.74	408.03	399.57	345.65	249.44
Total	A	6,365.38	5,791.79	5,344.30	4,590.08	3,123.79
Intangible assets						
- Data processing software		56.89	54.35	52.73	12.86	8.76
- Software used in Plant & Machinery		7.35	7.35	7.35	7.35	7.35
- Goodwill		156.91	156.91	156.91	-	-
Total	B	221.15	218.61	216.99	20.21	16.11
II. Accumulated depreciation						
Tangible assets						
- Land (freehold)		-	-	-	-	-
- Buildings (freehold)		82.69	69.08	54.63	41.81	30.09
- Buildings (under finance lease)		97.65	73.73	49.67	25.63	4.56
- Plant and equipments (owned)		1,173.10	955.43	752.59	567.63	412.34
- Plant and equipments (under finance lease)		26.48	18.27	10.04	2.01	-
- Medical equipments (owned)		118.54	87.13	58.02	47.14	33.20
- Lab equipments (owned)		33.69	24.05	20.21	16.88	13.64
- Data processing equipments (owned)		51.38	34.70	29.22	26.27	23.77
- Electrical installations		22.49	14.90	13.05	11.36	9.62
- Furniture and fixtures (owned)		67.67	53.53	45.83	32.76	23.01
- Vehicles (owned)		5.99	3.75	5.56	3.63	2.79
- Office equipments (owned)		34.29	17.33	11.34	4.01	3.25
- Leasehold improvements		134.49	102.36	71.23	44.64	33.08
Total	A	1,848.46	1,454.26	1,121.39	823.77	589.35
Intangible assets						
- Computer software		27.68	19.41	11.65	7.43	4.62
- Software used in Plant & Machinery		4.17	3.88	3.48	3.06	2.62
- Goodwill		30.15	19.64	9.13	-	-
Total	B	62.00	42.93	24.26	10.49	7.24

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 9: Consolidated Summary Statement of Fixed Assets, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
III. Net block						
Tangible assets						
- Land (freehold)		461.93	379.29	379.29	378.11	116.89
- Buildings (freehold)		606.45	603.24	608.27	557.45	533.79
- Buildings (under finance lease)		501.19	525.11	549.17	494.01	121.61
- Plant and equipments (owned)		2,205.90	2,150.26	1,986.07	1,658.53	1,327.43
- Plant and equipments (under finance lease)		53.82	62.03	70.26	78.29	-
- Medical equipments (owned)		136.31	130.52	137.54	143.23	101.29
- Lab equipments (owned)		25.44	33.36	28.45	29.46	31.87
- Data processing equipments (owned)		25.50	24.60	17.29	13.12	7.40
- Electrical installations		13.29	20.01	21.27	22.71	22.28
- Furniture and fixtures (owned)		74.45	75.63	75.49	76.45	41.62
- Vehicles (owned)		14.98	9.01	6.99	6.18	6.73
- Office equipments (owned)		10.41	18.80	14.48	7.76	7.17
- Leasehold improvements		387.25	305.67	328.34	301.01	216.36
Total	A	4,516.92	4,337.53	4,222.91	3,766.31	2,534.44
Intangible assets						
- Computer software		29.21	34.94	41.08	5.43	4.14
- Software used in Plant & Machinery		3.18	3.47	3.87	4.29	4.73
- Goodwill		126.76	137.27	147.78	-	-
Total	B	159.15	175.68	192.73	9.72	8.87

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 10: Consolidated Summary Statement of Non-Current Investments, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
A) Investment in equity accounted investees					
- Carrying amount of investment in associate (refer note i below)	-	22.12	1.00	-	-
B) Others: (Unquoted) - (At cost)					
- Investment in government or trust securities	0.15	0.15	0.15	0.15	0.15
- Investment in mutual funds:					
- SBI One India Fund - Long term dividend plan (refer note ii below)	1.05	1.05	1.05	1.00	1.00
- LIC Mutual Fund Nomura-Short term plan (refer note iii below)	0.01	0.01	0.01	0.01	0.01
	1.21	1.21	1.21	1.16	1.16
Total	1.21	23.33	2.21	1.16	1.16

Notes

Particulars of investment	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
i) Investment in associate					
- Cost of investment (Amount in Rs. Million)	-	19.80	1.00	-	-
- Number of equity shares	-	1,980,000	100,000	-	-
- Percentage of holding %	-	28.78%	50.00%	-	-
- share of net assets at the time of acquisition of shares in the associate (Amount in Rs. Million)	-	22.12	1.00	-	-
- share of profit/ (loss) (Amount in Rs. Million)	-	2.32	-	-	-
ii) Particulars of investment in Mutual Funds (SBI One India Fund - Long term dividend plan)					
- Cost of investment (Amount in Rs. Million)	1.05	1.05	1.05	1.00	1.00
- Number of mutual fund units	24,272.75	24,272.75	24,272.75	100,000.00	100,000.00
- Net asset value of mutual fund (Amount in Rs. Million)	1.05	1.05	1.05	1.00	1.00
iii) Particulars of investment in Mutual Funds (LIC Mutual Fund Nomura-Short term plan)					
- Cost of investment (Amount in Rs. Million)	0.01	0.01	0.01	0.01	0.01
- Number of mutual fund units	941.32	941.32	941.32	941.32	941.32
- Net asset value of mutual fund (Amount in Rs. Million)	0.01	0.01	0.01	0.01	0.01

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 11: Consolidated Summary Statement of Current Investments, as restated

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(At lower of cost and fair value)					
Investment in mutual funds (unquoted)					
SBI-SHF-Ultra Short Term fund					
Institutional Plan-Growth					
- Cost of investment (Amount in Rs. Million)	-	-	-	0.86	8.34
- Number of mutual fund units	-	-	-	627.22	833,435.20
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	-	0.88	8.34
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	-	0.86	8.34
IDFC Ultra Short Term Fund					
Growth-(Direct Plan)					
- Cost of investment (Amount in Rs. Million)	-	-	50.00	-	-
- Number of mutual fund units	-	-	3,085,657.86	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	50.25	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	50.00	-	-
SBI Magnum INSTA cash fund					
liquid floater					
- Cost of investment (Amount in Rs. Million)	-	-	553.72	-	-
- Number of mutual fund units	-	-	274,618.10	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	553.33	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	553.72	-	-
Total (Amount in Rs. Million)	-	-	603.72	0.86	8.34

Annexure 12: Consolidated Summary Statement of Trade Receivables, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:						
- Unsecured, considered good		204.46	172.58	146.46	140.74	76.36
- Doubtful		227.58	209.77	73.39	49.33	25.72
		432.04	382.35	219.85	190.07	102.08
Less: Provision for doubtful trade receivables		(227.58)	(209.77)	(73.39)	(49.33)	(25.72)
	A	204.46	172.58	146.46	140.74	76.36
Other trade receivables						
- Unsecured, considered good		433.63	356.00	455.34	289.93	215.19
- Doubtful		12.20	14.52	7.05	5.80	-
		445.83	370.52	462.39	295.73	215.19
Less: Provision for doubtful trade receivables		(12.20)	(14.52)	(7.05)	(5.80)	-
	B	433.63	356.00	455.34	289.93	215.19
Total (A + B)		638.09	528.58	601.80	430.67	291.55

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
- Mr. M Gopichand *		4.75	N/A	N/A	N/A	N/A
- Sada Sharada Tumor & Research Institute		39.50	15.43	11.07	13.95	3.98
- JSS Bharath Charitable Trust		5.73	5.26	3.53	1.07	0.30
- HCG Foundation		16.01	17.00	15.55	2.01	0.17

* Pursuant to merger of HealthCare Global Vijay Oncology Private Limited with the Company during the year ended 31-Mar-15, Mr. M. Gopichand became Propromoter of the Company during this year. Accordingly, the balance outstanding from Mr. M. Gopichand as at prior years are not considered in the above disclosure.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 13: Consolidated Summary Statement of Loans and Advances, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Long-term loans and advances					
(a) Capital advances	79.30	7.69	11.53	8.54	229.84
(b) Security deposits	306.60	221.30	160.10	112.11	108.64
(c) Inter-corporate deposits	22.16	-	-	-	-
(d) Loans and advances to related parties	2.47	0.16	-	-	-
(e) Loans and advances to employees	-	-	0.10	0.15	-
(f) Prepaid expenses	24.06	20.36	23.54	2.67	-
(g) Advance income tax (Net of provision for tax)	213.50	202.28	158.58	90.96	44.79
(h) Tax paid under protest					
Income Tax	17.91	-	-	-	-
VAT	0.40	-	-	-	-
(i) MAT credit entitlement	33.28	40.72	42.29	36.15	32.22
Total long-term loans and advances (A)	699.68	492.51	396.14	250.58	415.49
II. Short-term loans and advances					
(a) Loans and advances to related parties	-	2.41	2.96	3.01	3.01
(b) Security deposits	0.21	0.80	1.10	0.46	0.22
(c) Loans and advances to employees	8.52	11.53	11.31	6.79	8.55
(d) Prepaid expenses	35.26	21.28	18.38	25.57	25.55
(e) Balances due from government authorities	-	-	-	-	0.57
(f) Inter-corporate deposit	-	50.00	-	-	-
(g) Others:					
- Rental advance	13.77	13.77	7.68	5.19	3.00
- Forward contract receivable account	-	-	-	39.94	-
- Advance to vendors:					
- Considered good	22.73	17.80	25.29	27.59	10.69
- Considered doubtful	25.08	15.25	9.61	7.36	7.36
	47.81	33.05	34.90	34.95	18.05
Less: Provision for other doubtful loans and advances	(25.08)	(15.25)	(9.61)	(7.36)	(7.36)
	22.73	17.80	25.29	27.59	10.69
Total short-term loans and advances (B)	80.49	117.59	66.72	108.55	51.59

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Security deposits (refundable) with					
- Gutti Malnad LLP	3.50	3.50	2.00	-	-
- Sada Sarada Tumor & Research Institute	3.10	4.00	-	-	-
Loans and advances					
Entities in which KMP/relatives of KMP have significant influence:					
- HCG Foundation	2.47	2.57	2.96	3.01	3.01

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 14: Consolidated Summary Statement of Other Current and Non-Current Assets, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Inventories					
(At lower of cost and net realisable value)					
Stock-in-trade	145.53	119.83	99.72	70.72	53.24
Total	145.53	119.83	99.72	70.72	53.24
II. Cash and Cash Equivalents					
(a) Cash on hand	10.67	9.72	7.66	3.09	4.96
(b) Cheques, drafts on hand	2.59	2.55	2.86	4.31	1.11
(c) Balances with banks :					
- In current accounts	171.68	134.30	69.74	47.47	46.40
- In EEFC accounts	22.24	14.19	11.76	14.77	0.40
- In deposit accounts	40.34	62.27	1.33	93.28	1.46
- Balances held as margin money or security against borrowings	22.02	31.74	13.32	3.35	3.20
Total	269.54	254.77	106.67	166.27	57.53
III. Other Current Assets					
(a) Unbilled revenue	81.56	71.94	65.92	60.72	39.17
(b) Interest accrued on deposits	1.59	1.21	0.81	0.63	0.71
(c) Others	2.95	2.56	2.27	1.11	1.17
Total	86.10	75.71	69.00	62.46	41.05
IV. Other Non-Current Assets					
(a) Interest accrued on deposits	8.02	8.10	3.00	0.16	-
(b) In earmarked account in Banks -balance held as margin money	66.91	40.08	44.46	29.77	19.38
Total	74.93	48.18	47.46	29.93	19.38

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Other current assets					
Entities in which KMP/relatives of KMP have significant influence:					
- Sada Sharada Tumor & Research Institute	1.67	1.33	1.88	0.92	1.03
- B.C.C.H.I Trust	0.08	0.08	0.24	0.16	0.10

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 15: Consolidated Summary Statement of Current Liabilities and Provisions, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Trade payables						
a) Dues to micro and small enterprises		-	-	-	-	-
b) Others		832.67	705.35	527.17	362.77	361.70
	A	832.67	705.35	527.17	362.77	361.70
II. Other-current liabilities						
a) Current maturities of long-term borrowings		391.60	223.41	305.99	297.48	185.34
b) Interest accrued but not due on borrowings		97.88	77.99	53.91	37.10	10.76
c) Other payables						
- Statutory remittances		47.79	35.05	25.94	20.44	14.99
- Payables on purchase of fixed assets		60.75	148.09	33.28	71.00	50.61
- Payables on purchase of long-term investments		-	-	150.00	-	-
- Share application money received by subsidiary pending allotment to its minority shareholders		-	12.52	12.52	-	-
- Trade / security deposits received		-	-	-	2.00	0.05
- Advances from customers		111.82	83.52	62.88	49.51	39.72
- Others		0.02	2.33	2.54	0.14	-
Total	B	709.86	582.91	647.06	477.67	301.47
III. Provisions						
(a) Provision for employee benefits:						
- Compensated absences		16.84	15.27	12.44	9.82	14.17
- Gratuity		40.03	31.44	24.28	16.55	10.78
Total	C	56.87	46.71	36.72	26.37	24.95
(b) Provision - Others:						
- Provision for Income Tax		0.50	1.47	-	-	-
- Provision for premium payable on redemption of debentures		-	-	-	7.50	7.50
Total	D	0.50	1.47	-	7.50	7.50
Total provisions (C + D)		57.37	48.18	36.72	33.87	32.45
Total provisions represented by:						
- Long-term provisions		22.64	21.87	32.31	23.86	30.47
- Short-term provisions		34.73	26.31	4.41	10.01	1.98
Total		57.37	48.18	36.72	33.87	32.45

Note: There are no dues to Micro and Small Enterprises as at the Balance Sheet date. The Micro and Small Enterprises have been identified on the basis of information available with the Company and its subsidiaries which has been relied upon by the auditors.

Annexure 16: Consolidated Summary Statement of Key Operational Income and Expenses, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Revenue from operations					
Income from medical services	3,395.71	3,009.77	2,220.97	1,648.34	1,318.87
Income from pharmacy	1,762.87	1,477.29	1,150.78	1,014.41	826.91
Other operating income:					
- Income from training	17.88	10.74	-	-	-
- Income from cafeteria	14.29	12.54	6.52	3.08	2.40
- Management fees	3.00	3.00	4.78	-	-
Total	5,193.75	4,513.34	3,383.05	2,665.83	2,148.18
II. Expenses					
Purchase of stock-in-trade	1,493.73	1,354.20	1,057.85	828.34	637.10
Total	1,493.73	1,354.20	1,057.85	828.34	637.10
(Increase)/ Decrease in stock-in-trade					
Inventories at the end of the year:					
- Stock-in-trade	145.53	119.83	99.72	70.72	53.24
Total (A)	145.53	119.83	99.72	70.72	53.24
Inventories at the beginning of the year:					
- Stock-in-trade	119.83	99.72	70.72	53.24	32.50
Less: Stock relating to Hospital unit closed in the year considered as exceptional	(7.69)	-	-	-	-
Total (B)	112.14	99.72	70.72	53.24	32.50
Consolidation adjustment on account of acquisition of subsidiaries (C)	-	-	6.39	-	-
Net (increase) / decrease in inventories of pharmacy stock and consumables (C + B - A)	(33.39)	(20.11)	(22.61)	(17.48)	(20.74)
Employee benefits expense					
Salaries and wages	734.78	695.84	480.47	373.36	294.00
Contributions to provident funds	27.91	20.48	15.79	14.04	9.53
Gratuity Expense	12.17	9.53	7.10	5.92	4.02
Expense on employee stock option scheme	11.98	8.89	4.50	5.03	3.98
Staff welfare expenses	28.26	32.90	26.87	23.18	11.31
Total	815.10	767.64	534.73	421.53	322.84
Finance costs					
Interest expense	321.03	302.60	275.21	210.60	127.94
Other borrowing cost	21.25	19.69	16.57	29.15	8.17
Total	342.28	322.29	291.78	239.75	136.11

Annexure 16: Consolidated Summary Statement of Key Operational Income and Expenses, as restated
II. Expenses contd.,
(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Other expenses					
Medical consultancy charges	1,088.66	963.90	702.24	555.86	444.46
Legal and professional charges	56.29	36.71	29.32	13.59	15.85
Lab charges	109.88	98.96	58.30	37.18	27.38
Power, fuel and water	132.90	116.92	93.79	68.91	54.83
Rent including lease rentals	159.53	155.80	92.46	45.90	62.06
Repairs and maintenance:					
- Buildings	12.40	7.27	5.62	6.95	5.14
- Machinery	141.06	111.54	87.81	57.80	44.03
- Others	39.28	35.95	23.81	19.21	12.33
Insurance	6.59	6.07	4.78	3.23	3.81
Rates and taxes	16.20	14.92	10.72	6.14	5.15
Communication	17.05	15.87	12.50	8.95	8.93
Travelling and conveyance	48.72	43.90	30.22	20.81	17.66
Printing and stationery	28.46	29.62	20.62	20.34	20.73
House keeping and security	98.45	92.28	61.04	54.17	39.62
Business promotion expenses	139.45	98.42	67.27	50.97	40.79
Payments to auditors:					
- As statutory audit	5.00	5.00	2.58	2.58	1.82
- For other services	0.25	0.25	0.29	0.29	-
- Other expenses (including service tax)	0.74	0.65	0.35	0.35	-
Loss on fixed assets sold / scrapped / written off	0.68	7.11	3.69	0.03	2.93
Provision for doubtful trade receivables and loans and advances (net) (Refer note below)	25.31	153.05	27.56	29.60	9.64
Exchange fluctuation loss (net)	-	-	0.33	-	1.32
Miscellaneous expenses	29.01	34.98	15.49	18.27	11.82
Total	2,155.91	2,029.17	1,350.79	1,021.13	830.30

Note: Based on the assessment of recoverability of trade receivables as at 31-Mar-14, additional provision was made during the year then ended for the doubtful trade receivables. Provisions relate to trade receivables outstanding from:

(Amount in Rs. Million)

Financial year	31-Mar-14
2013 - 2014	16.08
2012 - 2013	18.63
2011 - 2012	25.04
2010 - 2011	22.55
2009 - 2010	10.22
2008 - 2009	4.17
Total	96.69

Annexure 16: Consolidated Summary Statement of Key Operational Income and Expenses, as restated
III. EXCEPTIONAL ITEMS:

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net loss relating to Hospital unit closed during the year (Refer Note (i) below)	42.51	-	-	-	-
Net loss on vacation of leased Hospital premises during the year (Refer Note (ii) below)	3.11	-	-	-	-
Provision for impairment in goodwill (Refer Note (iii) below)	-	4.63	-	-	-
Total	45.62	4.63	-	-	-

Notes

(i) During the year ended 31-Mar-15, the Company closed its operations in HCG Multispecialty Hospitals - Magadi Raod, Bengaluru. The results of this unit including the impairment losses is given below:

(Amount in Rs. Million)

Particulars	31-Mar-15
Expenses	
(a) Changes in inventories of pharmacy stock and consumables	7.69
(b) Employee benefits expense	6.16
(c) Finance costs	2.29
(d) Depreciation and amortisation expense	6.75
(e) Other expenses	29.83
Total expenses	52.72
Less: Recoveries	(10.21)
Net loss for the year on closure of Hospital Unit	42.51

(ii) BACC Healthcare Private Limited, a subsidiary of the Company, vacated its Hospital buildings in the leased premises during the year. The following consequential expenses / gains have been considered exceptional items:

(Amount in Rs. Million)

Particulars	31-Mar-15
Write-off of lease hold improvements	3.13
Penalty paid for termination of lease contract	2.23
Write-back of provision for rent straightlining due to termination of lease agreement	(2.25)
Total	3.11

(iii) In the previous year, due to the deterioration of the financial position and financial performance of the Group's wholly owned subsidiary, HealthCare Global Senthil Multi-Specialty Hospital Private Limited, provision for impairment was made against the carrying value of goodwill.

Annexure 17: Consolidated Summary Statement of Other Income, as restated

(Amount in Rs. Million)

Particulars	Nature	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Other Income, as restated		48.15	39.72	23.78	36.34	13.72
Net profit before tax, as restated		24.40	(266.54)	(101.46)	(28.78)	80.23
Percentage		197%	-15%	-23%	-126%	17%
Break-up of Other Income:						
Interest income from deposits with bank	Recurring	15.55	15.00	7.39	4.59	0.96
Interest on income tax refund	Recurring	14.39	3.07	0.33	0.12	0.03
Interest income from Inter-corporate deposits	Non-recurring	1.53	-	-	-	-
Dividend income from current investments - mutual fund	Non-recurring	-	0.20	-	0.91	2.60
Net gain on sale of current investments - mutual fund	Non-recurring	-	5.41	0.03	0.35	-
Net gain on foreign currency transactions and translation	Non-recurring	4.70	3.69	0.13	0.58	0.67
Profit on sale of fixed assets	Non-recurring	-	-	-	-	0.07
Payables no longer required written-back	Non-recurring	2.38	3.26	2.47	17.72	3.75
Advances received from patients no longer required written-back	Non-recurring	2.60	-	-	-	-
Miscellaneous income	Non-recurring	7.00	9.09	13.43	12.07	5.64
Total		48.15	39.72	23.78	36.34	13.72

Notes

1) All the above income relate to the Group's business activity.

2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activities of the Group as determined by the management.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 18: Consolidated Summary Statement of Dividend Paid / Proposed by the Company

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
No dividend payments during the period					

Annexure 19: Consolidated Summary Statement of Accounting Ratios

		(Number / Amount Rs. in Million, Except Per Share Data)				
Particulars		For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Basic and Diluted Earnings Per Share (Rs.)	A					
Basic Earnings Per Share (Basic EPS)						
Net profit/loss after tax, as restated, attributable to equity shareholders		5.47	(355.54)	(105.14)	(33.31)	62.99
Weighted average number of Equity Shares outstanding		69.95	68.68	60.36	55.91	52.83
Basic EPS in Rs.		0.08	(5.18)	(1.74)	(0.60)	1.19
Face value in Rs.		10.00	10.00	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)						
Net profit/loss after tax, as restated, attributable to equity shareholders		5.47	(355.54)	(105.14)	(33.31)	62.99
Weighted average number of Shares used for calculating Basic EPS		69.95	68.68	60.36	55.91	52.83
Add: Effect of ESOPs and share warrants which are dilutive		3.35	-	-	-	0.83
Weighted average number of shares considered for calculating Diluted EPS		73.30	68.68	60.36	55.91	53.66
Diluted EPS in Rs.		0.07	(5.18)	(1.74)	(0.60)	1.17
Face value in Rs.		10.00	10.00	10.00	10.00	10.00
Net Asset Value Per Equity Share (Rs.)	B	As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net worth, as restated		2,794.92	2,637.69	2,834.00	2,112.35	1,710.47
Number of equity shares outstanding		69.98	68.25	66.89	59.27	53.30
Add: Impact of shares pending allotment		0.85	0.58	0.58	-	0.10
Add: Impact of outstanding ESOP		5.30	1.80	1.80	1.80	1.80
Add: Impact of outstanding share warrants		0.95	2.11	1.21	1.21	-
Number of equity shares outstanding (including potential equity shares)		77.08	72.74	70.48	62.28	55.20
Net Assets Value per equity share (Rs.)		36.26	36.26	40.21	33.92	30.99
Return on Net worth	C	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit after tax, as restated		5.46	(355.53)	(105.14)	(33.31)	62.99
Net worth, as restated		2,794.92	2,637.69	2,834.00	2,112.35	1,710.47
Return on net worth		0.20%	-13.48%	-3.71%	-1.58%	3.68%

Note: The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(a) The weighted average number of equity shares as at 31-Mar-14 and 31-Mar-13 include 579,948 equity shares to be issued to the minority shareholders of HCG Medi-Surge Hospitals Private Limited pursuant to merger of Multispecialty unit of this entity with the Company from the appointed date of 1-Apr-2012. Similarly, the weighted average number of equity shares as at 31-Mar-15 include 846,760 equity shares to be issued to the minority shareholders of HCG Vijay Oncology Private Limited pursuant to merger of this entity with the Company from the appointed date of 1-Apr-2014.

(b) The effect of ESOP and share warrants outstanding is anti-dilutive for the years ending 31-Mar-14, 31-Mar-13 and 31-Mar-12 and hence ignored for the purpose of computing Diluted EPS. Further, the effect of convertible debentures (until they were converted into equity shares at two tranches, on 12-Nov-2012 and 23-Mar-2013) was anti-dilutive for the years ending 31-Mar-13, 31-Mar-12 and 31-Mar-11 and hence are not considered for computing Diluted EPS

(ii) Net Assets Value (NAV)

$$\frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year / period}}$$

(iv) Net worth for ratios mentioned above is as arrived as mentioned below:

Net worth, as restated = Equity share capital + Shares pending allotment + Share application money pending allotment + Reserves and surplus (including Capital Reserve, Securities Premium, Exchange Reserve (on Consolidation), Share options outstanding account and surplus / (deficit) in Consolidated Statement of Profit and Loss).

All the above are based on Consolidated Financial Information, as restated.

HealthCare Global Enterprises Limited
Consolidated Financial Information, as restated

Annexure 20: Consolidated Statement of Capitalisation, as restated

Particulars	Pre-issue As at 31-Mar-15	Post-Issue*
Debt		
Short-term borrowings	292.71	
Long-term borrowings	2,802.37	
Add: Current maturities of long term borrowings	391.60	
Total debts	3,486.68	
Shareholders' funds		
Share capital	699.84	
Shares pending allotment **	8.47	
Reserves as restated (excluding revaluation reserve)	2,086.61	
Total shareholders' funds	2,794.92	
Long term debt/equity	1.14	

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

** Shares pending allotment as at 31-Mar-15 pursuant to merger of HealthCare Global Vijay Oncology Private Limited has been considered in arriving at shareholders' funds.

Notes

1. Short term borrowings represent debts which are due within 12 months from 31-Mar-15.
2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

Annexure 21: Consolidated Statement of Transactions and Balances with Related Parties, as restated

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Dr. B S Ajai Kumar
Relatives of KMP	Ms. Anjali Ajai Kumar (Daughter of Dr B S Ajai Kumar)
Entities in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust Sada Sharada Tumor & Research Institute B.C.C.H.I Trust HCG Foundation Gutti Malnad LLP

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

(Amount in Rs. Million)

Transactions with related parties	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Sale of pharmacy products and consumables Entities in which KMP / relatives of KMP have significant influence: - Sada Sharada Tumor & Research Institute	52.30	27.67	28.16	30.86	28.04
Medical service rendered Entities in which KMP / relatives of KMP have significant influence: - JSS Bharath Charitable Trust - HCG Foundation - Sada Sharada Tumor & Research Institute	13.43 3.15 4.50	14.27 8.27 -	1.23 14.18 -	1.87 1.93 -	1.86 0.03 -
Loans and advances received Entities in which KMP / relatives of KMP have significant influence: - HCG Foundation	0.10	0.39	0.05	-	-
Security deposits paid Entities in which KMP / relatives of KMP have significant influence: - Sada Sharada Tumor & Research Institute	-	4.00	-	-	-
Security deposit received Entities in which KMP / relatives of KMP have significant influence: - Sada Sharada Tumor & Research Institute	0.90	-	-	-	-
Rent charges Entities in which KMP / relatives of KMP have significant influence: - Sada Sharada Tumor & Research Institute	0.47	0.47	0.49	0.45	0.45
Proceeds from allotment of shares to - Dr. B S Ajai Kumar	100.00	-	21.17	-	50.00
Remuneration - Dr. B S Ajai Kumar - Ms. Anjali Ajai Kumar	26.30 -	12.00 1.22	11.94 0.39	9.00 0.41	9.00 0.14

Annexure 21: Consolidated Statement of Transactions and Balances with Related Parties, as restated

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Dr. B S Ajai Kumar
Relatives of KMP	Ms. Anjali Ajai Kumar (Daughter of Dr B S Ajai Kumar)
Entities in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust Sada Sharada Tumor & Research Institute B.C.C.H.I Trust HCG Foundation Gutti Malnad LLP

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

(Amount in Rs. Million)

Balances outstanding with related parties	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Security deposits (refundable) with					
- Gutti Malnad LLP	3.50	3.50	2.00	-	-
- Sada Sarada Tumor & Research Institute	3.10	4.00	-	-	-
Loans and advances					
Entities in which KMP/relatives of KMP have significant influence:					
- HCG Foundation	2.47	2.57	2.96	3.01	3.01
Trade receivables					
Entities in which KMP/relatives of KMP have significant influence:					
- Sada Sharada Tumor & Research Institute	39.49	15.44	11.07	13.95	3.98
- JSS Bharath Charitable Trust	5.73	5.26	3.53	1.07	0.30
- HCG Foundation	16.01	17.00	15.55	2.01	0.17
Other current assets					
Entities in which KMP/relatives of KMP have significant influence:					
- Sada Sharada Tumor & Research Institute	1.67	1.33	1.88	0.92	1.03
- B.C.C.H.I Trust	0.08	0.08	0.24	0.16	0.10
- HCG Foundation	-	-	-	-	-

INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF HEALTHCARE GLOBAL ENTERPRISES LIMITED

No. 8, P. Kalinga Rao Road,
Sampangi Ram Nagar, Bangalore – 560 027

Dear Sirs,

1. We have examined the attached restated standalone financial information of HealthCare Global Enterprises Limited (the “Company”) as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011, which comprises of the restated standalone assets and liabilities as at March 31, 2015, 2014, 2013, 2012, and 2011, the restated standalone statements of profit and loss and the restated standalone cash flow statements for each of the years then ended (“the Restated Standalone Financial Statements”) as approved by the Board of Directors of the Company at their meeting held on July 13, 2015 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) and prepared in terms of the requirements of:
 - a) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules); and
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations").
2. We have examined such Restated Standalone Financial Statements taking into consideration
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated July 13, 2015 in connection with the proposed IPO of the Company and
 - b) The Guidance Note (Revised) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (ICAI).
3. These Restated Standalone Financial Statements have been prepared by the Management based on the audited standalone financial statements as at March 31, 2015, 2014, 2013, 2012 and 2011 which have been approved by the Board of directors at their meetings held on May 29, 2015, August 27, 2014, July 11, 2013, June 27, 2012 and August 18, 2011, respectively.
4. Based on our examination, we further report that:
 - a) The Summary Statement of Restated Assets and Liabilities of the Company as at March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure - 1 to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.
 - b) The Summary Statement of Restated Profit and Loss of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure - 2 to this report, are after making

adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.

- c) The Summary Statement of Restated Cash Flows of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011, as set out in Annexure - 3 to this report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information, as set out in Annexure - 4.
- d) Based on the above, according to the information and explanations given to us, we are of opinion that the Restated Standalone Financial Statements have been made after incorporating:
 - (i) Material prior period items as explained in Annexure 4 of these Restated Standalone Financial Statements, have been adjusted to the respective years to which such prior period items related;
 - (ii) Adjustments for the material amounts in the respective financial years to which they relate as explained in Annexure 4 of these Restated Standalone Financial Statements; and
 - (iii) Adjustments for material regrouping of balances as explained in Annexure 4 of these Restated Standalone Financial Statements.

Further there are no: (i) extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments; and (ii) qualifications in the Auditors' reports for the relevant reporting periods requiring adjustments.

- 5. We have also examined the following Restated Financial Statement of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on July 13, 2015 as and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.
 - (i) Annexure 5 – Summary of Significant Accounting Policies and Notes to Accounts
 - (ii) Annexure 6 - Summary Statement of Share Capital, as restated
 - (iii) Annexure 7 - Summary Statement of Reserves and Surplus, as restated
 - (iv) Annexure 8 - Summary Statement of Secured and Unsecured Loans, as restated
 - (v) Annexure 9 – Summary Statement of Fixed Assets, as restated
 - (vi) Annexure 10 – Summary Statement of Non-Current Investments, as restated
 - (vii) Annexure 11 – Summary Statement of Current Investments, as restated
 - (viii) Annexure 12 – Summary Statement of Trade Receivables, as restated
 - (ix) Annexure 13 – Summary Statement of Loans and Advances, as restated
 - (x) Annexure 14 – Summary Statement of Other Current and Non-Current Assets, as restated
 - (xi) Annexure 15 – Summary Statement of Current Liabilities and Provisions, as restated
 - (xii) Annexure 16 – Summary Statement of Other Income, as restated
 - (xiii) Annexure 17 – Summary Statement of Key Operational Income and Expenses, as restated
 - (xiv) Annexure 18 – Summary Statement of Dividend Paid / Proposed by the Company
 - (xv) Annexure 19 – Summary Statement of Accounting Ratios
 - (xvi) Annexure 20 – Statement of Capitalisation, as restated
 - (xvii) Annexure 21 - Summary Statement of Transactions and Balances with Related Parties, as restated
 - (xviii) Annexure 22 - Statement of Tax Shelters, as restated

In our opinion, the above financial information contained in Annexures 1 to 22 accompanying this report read along with the Significant Accounting Policies [Refer Annexure 5 (A)] are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure 4] and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable; SEBI-ICDR Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

6. 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 financial statements referred to herein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
8. Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountant
ICAI Firm Registration No. 008072S

Sd/-
V. Balaji
Partner
Membership No. 203685

BANGALORE, July 13, 2015
VB/HMK/KRP/2015

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 1: Standalone Summary Statement of Assets and Liabilities, as restated

(Amount in Rs. Million)

Particulars		As at 31-Mar-15	As at 31-Mar-14	As at 31-Mar-13	As at 31-Mar-12	As at 31-Mar-11
I. EQUITY AND LIABILITIES						
Shareholders' funds						
(a) Share capital		699.84	682.45	668.90	592.72	533.04
(b) Shares pending allotment		8.47	5.80	5.80	-	1.05
(c) Share application money pending allotment		-	-	-	-	72.89
(d) Reserves and surplus		2,008.33	1,919.18	2,169.00	1,486.07	1,073.68
Total	A	2,716.64	2,607.43	2,843.70	2,078.79	1,680.66
Non-current liabilities						
(a) Long-term borrowings		2,474.13	2,214.99	2,042.76	994.89	786.97
(b) Deferred tax liabilities (net)		-	-	4.93	-	-
(c) Other long-term liabilities		13.68	19.40	130.89	106.16	-
(d) Long-term provisions		17.18	17.11	28.00	19.23	27.76
Total	B	2,504.99	2,251.50	2,206.58	1,120.28	814.73
Current liabilities						
(a) Short-term borrowings		292.70	173.61	374.51	510.88	138.95
(b) Trade payables		747.25	616.25	489.18	306.41	324.49
(c) Other current liabilities		602.81	466.68	519.10	336.83	243.03
(d) Short-term provisions		31.03	22.74	3.33	9.44	1.77
Total	C	1,673.79	1,279.28	1,386.12	1,163.56	708.24
TOTAL (A + B + C)		6,895.42	6,138.21	6,436.40	4,362.63	3,203.63
II. ASSETS						
Non-current assets						
(a) Fixed assets						
- Tangible assets		3,890.14	3,537.63	3,434.33	2,854.13	2,059.05
- Intangible assets		157.65	174.13	190.88	8.60	7.48
- Capital work-in-progress		278.77	104.12	12.26	26.74	5.23
(b) Non-current investments		837.56	800.05	774.02	313.02	290.80
(c) Deferred tax assets (net)		54.72	-	-	14.39	18.90
(d) Long-term loans and advances		548.89	539.55	462.49	320.76	361.61
(e) Other non-current assets		66.92	45.98	45.59	25.86	10.57
Total	E	5,834.65	5,201.46	4,919.57	3,563.50	2,753.64
Current assets						
(a) Current investments		-	-	603.72	0.86	8.34
(b) Inventories		129.82	107.89	88.76	59.34	46.90
(c) Trade receivables		643.79	516.44	582.99	408.84	276.55
(d) Cash and cash equivalents		127.72	147.46	48.80	138.94	38.50
(e) Short-term loans and advances		70.26	58.63	57.67	102.96	48.01
(f) Other current assets		89.18	106.33	134.89	88.19	31.69
Total	F	1,060.77	936.75	1,516.83	799.13	449.99
TOTAL (E+F)		6,895.42	6,138.21	6,436.40	4,362.63	3,203.63

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-

V. Balaji
Partner

Membership Number: 203685

Place: Bengaluru

Date: July 13, 2015

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 2: Standalone Summary Statement of Profit and Loss, as restated

(Amount in Rs. Million)

Particulars		For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
REVENUE						
Revenue from operations						
Income from medical services		2,579.25	2,129.85	1,774.34	1,223.69	964.94
Income from pharmacy		1,603.15	1,348.54	1,129.90	794.65	625.77
Other operating revenues		19.10	12.59	9.94	-	-
Total	A	4,201.50	3,490.98	2,914.18	2,018.34	1,590.71
Other Income	B	42.91	34.96	25.34	33.33	10.72
Total Revenue (A + B)	C	4,244.41	3,525.94	2,939.52	2,051.67	1,601.43
EXPENSES						
Purchase of stock-in-trade		1,342.42	1,195.82	1,006.12	706.57	528.07
(Increase)/ decrease in stock-in-trade		(28.60)	(19.13)	(22.00)	(12.44)	(21.10)
Employee benefits expense		689.48	614.28	463.04	315.43	258.51
Finance costs		315.22	282.39	249.97	208.32	109.17
Depreciation and amortisation expense		325.75	279.01	232.68	180.65	135.31
Other expenses		1,633.72	1,534.70	1,075.49	688.65	562.26
Total Expenses	D	4,277.99	3,887.07	3,005.30	2,087.18	1,572.22
Profit/(Loss) before tax and exceptional items (C - D)	E	(33.58)	(361.13)	(65.78)	(35.51)	29.21
EXCEPTIONAL ITEMS						
Effect of increase / (decrease) in profits						
Net loss relating to Hospital unit closed during the year		(42.51)	-	-	-	-
Provision for decline in value of investments		-	(8.39)	-	-	-
Provision for impairment of loans & advance to subsidiary		-	(30.39)	-	-	-
Total Exceptional Items	F	(42.51)	(38.78)	-	-	-
Profit/(Loss) before tax (E + F)	G	(76.09)	(399.91)	(65.78)	(35.51)	29.21
TAX EXPENSE						
(a) Current tax expense		-	-	-	1.00	9.64
(b) (Less): MAT credit		-	-	-	(1.00)	(9.64)
(c) Provision for MAT credit entitlement		5.07	-	-	-	-
(d) Deferred tax		(57.50)	(4.93)	5.80	4.51	(5.19)
Net tax expense	H	(52.43)	(4.93)	5.80	4.51	(5.19)
Net Profit / (Loss) for the year (as restated) (G - H)	I	(23.66)	(394.98)	(71.58)	(40.02)	34.40

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner
Membership Number: 203685
Place: Bengaluru
Date: July 13, 2015

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 3: Standalone Summary Statement of Cash Flows, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
A. Cash flow from operating activities					
Profit / (Loss) before tax, as restated	(76.09)	(399.91)	(65.78)	(35.51)	29.21
Adjustments for:					
Depreciation and amortisation expense	332.50	279.01	232.68	180.65	135.31
Loss on sale / write off of assets	6.51	0.78	3.19	0.03	0.41
Expense on employee stock option scheme	11.98	8.89	4.49	5.03	3.98
Finance costs	306.04	273.48	242.77	201.24	101.82
Interest income	(28.22)	(14.67)	(9.91)	(3.87)	(0.85)
Dividend income	-	(0.20)	-	(0.91)	(2.60)
Net (gain) / loss on sale of investments	-	(5.41)	(0.03)	(0.35)	-
Liabilities no longer required written back	(4.92)	(3.23)	(2.31)	(17.72)	(3.75)
Provision for doubtful trade and other receivables, loans and advances	18.11	142.69	25.39	25.89	8.17
Provision for impairment of investments and loans & advances	-	38.78	-	-	-
Unrealised foreign exchange loss	-	-	-	0.14	0.09
Operating profit / (loss) before working capital changes	565.91	320.21	430.49	354.62	271.79
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories	(20.91)	(19.13)	(22.00)	(12.31)	(21.10)
Trade receivables	(121.54)	(74.41)	(185.42)	(157.55)	(82.46)
Short-term loans and advances	(21.90)	(0.95)	27.60	(16.47)	19.96
Long-term loans and advances	(37.81)	(46.64)	(56.50)	(4.50)	8.46
Other current assets	27.28	31.67	(35.20)	(55.75)	(19.84)
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables	85.03	139.59	121.33	(0.47)	76.65
Other current liabilities	33.18	20.76	6.41	5.71	2.39
Short-term provisions	7.56	19.40	(0.13)	7.67	(8.20)
Long-term provisions	(0.68)	(10.89)	6.97	(8.54)	14.85
Cash generated from operations	516.12	379.61	293.55	112.41	262.50
Net income tax (paid) / refunds	(4.18)	(38.94)	(55.11)	(41.53)	(26.68)
Net cash flow from / (used in) operating activities (A)	511.94	340.67	238.44	70.88	235.82
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances	(673.02)	(450.98)	(715.30)	(99.51)	(371.18)
Proceeds from sale of fixed assets	0.81	1.84	0.35	-	0.13
Purchase / acquisition of long-term investments:					
- in subsidiaries	(34.17)	(159.37)	(452.28)	-	(20.21)
- in associates	-	(18.80)	(1.00)	-	-
- in Limited Liability Partnership	(25.41)	(6.25)	(5.26)	(58.95)	(6.74)
- Others	-	-	(0.04)	-	-
Inter-Corporate deposits given	(22.16)	-	-	-	-
Deposits placed for margin money	(10.62)	(14.27)	(23.28)	(12.26)	(0.83)
Current investment not considered as cash and cash equivalents					
- Purchased	-	-	(603.72)	(213.46)	(99.10)
- Proceeds from sale	-	609.13	0.89	221.29	285.08
Share application money paid	-	(19.37)	(13.46)	(17.00)	6.97
Loans and advances given to subsidiaries	(31.30)	(58.47)	(10.18)	(30.97)	-
Loans and advances received from subsidiaries	33.70	43.04	11.61	11.25	-
Interest received	22.96	3.55	4.14	4.04	1.12
Dividend received from Mutual Funds units	-	0.20	-	0.91	2.60
Net cash flow from / (used in) investing activities (B)	(739.21)	(69.75)	(1,807.53)	(194.66)	(202.16)

Annexure 3: Standalone Summary Statement of Cash Flows, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
C. Cash flow from financing activities					
Proceeds from issue of equity shares	100.00	149.99	799.99	433.12	144.89
Share issue expenses	-	(0.17)	(2.55)	-	(1.08)
Transfer of unclaimed dividend to Investor Education and Protection Fund	-	-	-	-	(0.01)
Proceeds from long-term borrowings	574.70	782.36	786.77	149.79	161.13
Repayment of long-term borrowings	(287.86)	(672.50)	(174.03)	(510.05)	(305.63)
Proceeds from other short-term borrowings	-	-	75.00	466.86	138.95
Repayment of other short-term borrowings	-	(60.00)	(56.25)	(195.19)	(54.59)
Proceeds from inter-corporate deposits taken	-	50.00	-	-	-
Inter-corporate deposits repaid	(50.00)	-	-	-	-
Net increase / (decrease) in working capital borrowings	166.14	(190.89)	254.17	60.33	-
Finance costs	(286.33)	(250.02)	(223.58)	(177.78)	(117.68)
Net cash flow from / (used in) financing activities (C)	216.65	(191.23)	1,459.52	227.08	(34.02)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(10.62)	79.69	(109.57)	103.30	(0.36)
Cash and cash equivalents at the beginning of the period/ year (opening balance considered for the year ended March 2011 is after giving the effect of merger of Banashankari Medical and Oncology Research Center Limited)	116.17	36.48	138.60	35.30	35.66
Add: Cash and cash equivalents pertaining to Multispecialty unit merged into the Company during the year	0.61	-	7.45	-	-
Cash and cash equivalents at the end of the year	106.16	116.17	36.48	138.60	35.30
Cash and cash equivalents as per Balance Sheet, as restated	127.72	147.46	48.80	138.94	38.50
Less: deposits held as margin money against guarantee not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	(21.56)	(31.29)	(12.32)	(0.34)	(3.20)
Cash and cash equivalents as per AS 3 Cash Flow Statements	106.16	116.17	36.48	138.60	35.30

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 5) are an integral part of this statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner
Membership Number: 203685
Place: Bengaluru
Date: July 13, 2015

Annexure 4: Summary Statement of Adjustments to Audited Financial Information

(Amount in Rs. Million)

Particulars	Note ref	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit / (Loss) for the year (as per audited accounts) (A)		(23.66)	(449.62)	(49.92)	(25.14)	45.39
Restatement Adjustments						
Increase / (decrease) in net profits for restatement adjustments:						
- Prior period items	a	-	54.64	-	-	-
- Income from medical services	b	-	-	(4.78)	-	-
- Income from pharmacy	a	-	-	(26.07)	(14.88)	(10.99)
- Other operating revenues	b	-	12.59	(6.67)	(10.00)	(18.32)
- Other income	b	-	(12.59)	(2.01)	(3.04)	-
- Purchase of stock-in-trade	b	-	-	(0.29)	10.00	18.32
- Employee benefits expense	b	-	14.79	7.69	6.66	4.74
- Other expenses	b	-	(14.79)	6.06	(3.62)	(4.74)
- Net profit earned from merged unit	c	-	-	4.41	-	-
Total effect of adjustments before tax (B)		-	54.64	(21.66)	(14.88)	(10.99)
Tax adjustments						
Current tax		-	-	-	-	-
Less: MAT credit		-	-	-	-	-
Deferred tax		-	-	-	-	-
Total of tax adjustments (C)		-	-	-	-	-
Net effect of increase in profit/ (loss) on adjustments after tax (D) = (B - C)		-	54.64	(21.66)	(14.88)	(10.99)
Net Profit / (Loss) for the year as restated (E) = (A + D)		(23.66)	(394.98)	(71.58)	(40.02)	34.40

Annexure 4: Summary Statement of Adjustments to Audited Financial Information
Explanatory Notes for the adjustments:

- a) Prior period items accounted for the year ended 31-Mar-2014 includes reversal of excess revenue amounting Rs. 54.64 Million and corresponding balance of unbilled revenue accounted during the prior years which could not be billed to patients. The unbilled revenue was overstated mainly due to not restricting the revenue recognition to the respective payer package limits. 'Such prior period items referred above have been appropriately adjusted in the respective years, the details of which are given in the below table:

Financial year	Amount in Rs. Million	
	Adjustment for decrease in	
	Income from Pharmacy	Unbilled revenue
2012 - 2013	26.07	26.07
2011 - 2012	14.88	14.88
2010 - 2011	10.99	10.99
2009 - 2010 (adjusted in the brought forward balance of Surplus in Statement of Profit and Loss as at 1-Apr-2010)	2.70	2.70
Total	54.64	54.64

- b) The following regrouping adjustments made to the audited consolidated financial statements for the respective years are given below:

Particulars	(Amount in Rs. Million)				
	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Increase / (decrease) in profits due to adjustment of following:					
(i) Management fees					
- Other operating revenue	-	3.00	4.78	-	-
- Income from medical services	-	-	(4.78)	-	-
- Other Income	-	(3.00)	-	-	-
(ii) Income from cafeteria:					
- Other operating revenue	-	9.59	2.01	-	-
- Other Income	-	(9.59)	(2.01)	-	-
(iii) Discount received on purchase of stock-in-trade:					
- Purchase of stock-in-trade	-	-	13.46	10.00	18.32
- Other operating revenues	-	-	(13.46)	(10.00)	(18.32)
(iv) Regrouping purchase of stock-in-trade from other expenses					
- Purchase of stock-in-trade	-	-	(13.75)	-	-
- Other Expenses	-	-	13.75	-	-
(v) Reimbursement of expenses credited to other income instead of other expenses					
- Other expenses	-	-	-	3.04	-
- Other Income	-	-	-	(3.04)	-
(vi) Regrouping other expenses from employee benefit expenses					
- Other expenses	-	(14.79)	(7.69)	(6.66)	(4.74)
- Employee benefit expenses	-	14.79	7.69	6.66	4.74

- c) Adjustment has been made for Net profit earned from Multi-specialty unit of HCG Medi-Surge Hospitals Private Limited, which merged with the Company from 1-Apr-12 (Appointed date), but the effect thereof was given in the audited accounts in the year ending March 2014 when the necessary filings required for the same under the Companies Act, 1956 were completed. Refer note a) ii) under 'B. Notes to Accounts' in Annexure 5.

d) Suplus in Statement of Profit and Loss as at 1-Apr-2010, as restated

Particulars	Amount Rs. in Million
Opening balance as at 1-Apr-2010 as per audited accounts	(240.99)
Add: Adjustments pursuant to merger of Banashankari Medical and Oncology Research Center Limited with effect from appointed date 1-Apr-2009, given effect in the audited financial statements during the year ended 31-Mar-2011	
- Profit of transferor Company from 01-Apr-2009 (Appointed date) till 31-Mar-2010	49.04
- Profit of the Trasferor Company transferred on merger	64.09
- Transfer of net debit balance in Statement of Profit and Loss on the appointed date of merger to Securities Premium Account	81.71
- Reversal of provision for tax and deferred tax pursuant to merger	76.03
Less: Adjustment of prior period items referred in note (a) above	(2.70)
Opening balance as at 1-Apr-2010, as restated	27.18

Annexure 4: Summary Statement of Adjustments to Audited Financial Information

e) Material regrouping:

i) Long-term Borrowings: Deferred payment liabilities and finance lease obligations of the Company had been grouped as 'Secured borrowings' in the prior years ended March 31, 2011, 2012, 2013 and 2014. Since such loans were financed by vendors without any charge on the assets of the Company, they have been grouped as 'Unsecured borrowings' in these restated accounts.

ii) Advance Tax and MAT Credit Entitlement: The MAT Credit Entitlement of Rs. 9.64 Million was reported as Advance Tax balance under Long-term loans and advances in the audited accounts for the year ended March 2014, which has been regrouped appropriately in these restated accounts.

f) Non-Adjustment Items

Audit reservations / qualifications, which do not require any corrective adjustment in the standalone financial information:

i) CARO for the years ending March 2011-2015: In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services.

ii) CARO: Details of disputed dues which have not been deposited:

Nature of Dues and Name of Statute	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in Million)	Reported in the CARO for the year ended
Tax deduction at source under 'The Income Tax Act, 1961'	Commissioner of Income Tax, Appeals	AY 2011-12	16.25	31-Mar-14
			8.13	31-Mar-15
		AY 2012-13	19.58	31-Mar-14
			9.79	31-Mar-15
Value added tax, under 'Andhra Pradesh VAT Act, 2005'	High Court of Judicature at Hyderabad, for the state of Telangana and the state of Andhra Pradesh.	January 2011 to June 2014	1.59	31-Mar-15

iii) CARO: Outstanding undisputed dues for more than six months as at the Balance Sheet date:

Name of the entity in which reporting was made	Nature of Dues	Amount Involved (Rs. in Million)	Reported in the CARO for the year ended
HealthCare Global Enterprises Limited	Value added tax	1.68	31-Mar-15

iv) Audit Report for the year ended March 2014: There was an incidence of fire on May 24, 2014 in one of the offices of the Group in which significant part of the supporting records (including those of prior years) relating to payments, purchase of inventory and fixed assets, and other expenses of the Group were destroyed. The financial statements of the Group have been prepared based on the statement of accounts obtained / received by the Group from the vendors and service providers and duplicate copies of the vendor invoices that have been obtained by the Group, which have been taken on record by the Management.

Aggregate of transactions which have been compiled based on such alternate records are as follows:

Purchase of fixed assets: Rs. 9.88 Million

Purchase of materials: Rs. 80.51 Million

Other expenses: Rs. 37.19 Million

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

A Summary of Significant Accounting Policies

a Corporate information

HealthCare Global Enterprises Limited (the Company) is engaged in setting up and managing cancer hospitals, cancer centers and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

The Company operates in:

- Curie Center of Oncology, Bengaluru.
- M.S.Ramaiah Curie Centre of Oncology, Bengaluru.
- Triesta Sciences, Bengaluru.
- Curie Manavata Cancer Center, Nasik.
- SMH (Shanti Mukand Hospital) Curie Cancer Center, New Delhi.
- HCG Pharma, Bengaluru.
- Curie Abdur Razzaque Cancer Institute, Ranchi
- Panda Curie Cancer Hospital, Cuttack.
- NMR Curie Centre of Oncology, Hubli.
- Bangalore Institute of Oncology, Bengaluru.
- HCG Cancer Center, Chennai
- HCG Cyclotron and PET CT, Chennai
- HCG BNH, Mumbai
- HCG Cancer Center, Trichy
- HCG Multispeciality Hospitals, Ahmedabad (merged into the Company with effect from the appointed date of merger 1-Apr-12)
- HCG Curie City Cancer Center, Vijayawada (refer note below)
- HCG MNR Curie Cancer Center, Ongole (refer note below)

Note: During the year ended 31-Mar-15, HCG Vijay Oncology Private Limited, an erstwhile subsidiary of the Company merged with the Company pursuant to approval of the merger scheme by the Honorable High Court of Judicature with an appointed date of 1-Apr-2014. HCG Vijay Oncology Private Limited was engaged in managing cancer hospitals namely HCG Curie City Cancer Center at Vijayawada and HCG MNR Curie Cancer Center at Ongole.

b Basis of accounting and preparation of Standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

c Use of estimates

The preparation of the Standalone Restated Financial Information in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

e Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- Linear Accelerator and related equipment - 15 years
- PET CT - 10 years

Leasehold improvements and assets acquired on finance lease are amortized over the period of the lease.

Assets costing less than Rs.5,000/- are fully depreciated in the year of purchase.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- Computer software - 6 years
- Software used in Plant & Machinery - 13 years (based on the useful life of the related Plant & Machinery)

Goodwill - 15 years. The Company entered into Operation Agreement (OA) dated May 11, 2012 with Dr. Balabhai Nanavati Hospital (BNH), a public charitable trust to operate and manage the Oncology Department in BNH. The OA is valid for a period of 15 years comprising of an initial term of 8 years which shall be automatically renewed for a additional term of 7 years. As per the terms and conditions mentioned in the OA, the Company has paid a sum of Rs. 150.00 Million to BNH as non-refundable deposit and incurred a sum of Rs. 5.43 Million towards cost of entering into OA with BNH. Such non-refundable deposit paid to BNH including cost of entering into such OA, is considered as Goodwill and the same is amortised over a period of 15 years, being the contractual period of the OA. Balance amortisation period as at March 31, 2015 is 12 years.

h Revenue recognition

Revenue from operations includes income from medical services, sale of pharmacy and income from research and development.

Revenues from medical services are recognized as and when the services are rendered.

Revenue from pharmacy: Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Revenue from research & development income and site management operation recognized proportionately over the period during which the services are rendered as per the terms of contract.

i Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

j Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

k Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

l Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

m Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Company are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

n Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOP) which provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

o Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

p Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

q Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

s Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

t Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

u Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

v Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

B Notes to Accounts

a) Merger

i) Merger of HealthCare Global Vijay Oncology Private Limited, a subsidiary of the Company, with the Company:

In accordance with the terms of a Scheme of Arrangement (the Scheme) between HealthCare Global Vijay Oncology Private Limited (Transferor Company) and the Company (Transferee Company), the Transferor Company has been merged with the Company. The Scheme has been approved by the Honorable High Court of Judicature at Bangalore with an appointed date of 1-Apr-14 and the effective date of 10-Apr-15 (the 'Effective Date'), being the date on which all the requirements under the Companies Act, 1956 have been completed. The merger has been accounted under the pooling of interest method and the assets and liabilities transferred have been recorded at their book values.

Pursuant to the Scheme, the Company is required to allot 9 fully paid-up equity shares of Rs. 10/- each for every twenty three fully paid-up equity shares of Rs. 10/- each held by the minority shareholders in the Transferor Company. Accordingly, 846,760 equity shares of Rs. 10/- each are pending to be allotted as at 31-Mar-15 to the minority shareholders in the Transferor Company.

Details of assets and liabilities acquired on the merger and treatment of the difference between the net assets acquired and cost of investment by the Transferee Company in the Transferor Company together with the shares issued to the minority shareholders are as follows:

Particulars	Rs. in Million	Rs. in Million
Book value of assets and liabilities acquired as at Appointed date of the Scheme		
Fixed assets		
Tangible assets (Net of accumulated depreciation Rs 57.86 Million)	298.16	
Intangible assets (Net of accumulated amortisation Rs 3.75 Million)	0.04	
Long-term loans and advances	20.06	
Other non-current assets	0.69	
Inventories	1.02	
Trade receivables (net of provisions Rs. 0.75 Million)	13.61	
Cash & cash equivalents	0.61	
Short-term loans and advances	1.97	
Other current assets	4.77	
Total assets		340.93
Long-term borrowings	121.01	
Deferred tax liability	6.19	
Long-term provisions	0.75	
Short-term borrowings	2.95	
Trade payables	48.29	
Other current liabilities	24.87	
Short-term provisions	0.73	
Total liabilities		204.79
Excess of assets over liabilities		136.14
Less: Face value of equity shares of the Company to be issued to the minority shareholders of the Transferor Company	(8.47)	
Less: Carrying value of investments of the Transferee Company in the Transferor Company	(108.62)	
		(117.09)
Capital reserve		19.05

As per the Scheme, balance in capital reserve shall be used to set-off accumulated losses in the Transferee Company.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

ii) Merger of Multi-specialty unit of HCG Medi-Surge Hospitals Private Limited, a subsidiary of the Company with the Company:

In the year ended 31-Mar-14, the Multispecialty division of HCG Medi-Surge Hospitals Private Limited (Transferor Company), merged with the Company (Transferee Company) in accordance with the terms of the Scheme of Arrangement (the Scheme), as approved by the Honorable High Courts of Judicature at Bangalore and Ahmedabad with an appointed date of 1-Apr-12. The merger was accounted under the pooling of interest method and the assets and liabilities transferred were recorded at their book values. The Multispecialty division of Transferor Company is engaged in offering specialised services for medical diagnosis and is located in Ahmedabad, Gujarat.

Pursuant to the Scheme, the Company was required to allot 0.2668 fully paid-up equity shares of Rs. 10/- each for every one fully paid-up equity shares of Rs. 10/- each held by the minority shareholders in the Transferor Company. Accordingly, 579,948 equity shares of Rs. 10/- which were pending to be allotted as at March 31, 2014 to the minority shareholders in the Transferor Company have been allotted during the current year.

As the necessary filings required to give effect thereof under the Companies Act, 1956 were completed on 31-Mar-14, accounting for this Scheme of Merger was given effect in the audited financial statements in the year ended 31-Mar-14. Adjustment has been made in these Restated Standalone Financial Information for the year ended 31-Mar-13 for giving effect to the merger from the appointed date.

Following are the details of assets and liabilities acquired on merger as at the appointed date of the Scheme (1-Apr-12):

Particulars	Amount in Rs. Million
Liabilities:	
Non-current liabilities	
Long-term borrowings	58.07
Long-term provisions	2.96
Deferred tax liability	13.52
Current liabilities	
Trade payables	54.44
Other current liabilities	43.14
Short-term provisions	0.37
Total Liabilities (A)	172.50
Assets:	
Non-current assets	
Tangible assets	241.20
Intangible assets	0.83
Capital work-in-progress	1.00
Long-term loans and advances	5.36
Other non-current assets	3.97
Current assets	
Inventories	7.42
Trade receivables	11.68
Cash and cash equivalents	9.06
Short-term loans and advances	22.25
Other current assets	8.68
Total Assets (B)	311.45
Excess of assets over liabilities (Net assets) (B - A)	138.95
Less: Face value of equity shares of the Company to be issued to the minority shareholders of the Transferor Company	(5.80)
Less: Carrying value of investments in the Multispecialty division of the Transferor Company	(147.58)
Balance to be adjusted with securities premium as per the terms of the Scheme	(14.43)

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

Details of profits earned in this merged unit from the appointed date of merger as included in these Restated Financial Information are given below:

Particulars	For the year ended 31-Mar-13
	Amount in Rs. Million
Revenue	
(a) Revenue from operations	387.34
(b) Other income	1.08
Expenses	
(a) Purchases of pharmacy stock	94.17
(b) (Increase)/ decrease in inventories	1.10
(c) Employee benefits expense	63.62
(d) Finance costs	9.82
(e) Depreciation and amortisation expense	17.14
(f) Other expenses	198.16
Profit before tax for the year ended 31-Mar-13	4.41

Note: In the audited financial statements, the profits pertaining to this merged unit have been considered in the Statement of Profit and Loss from the year ended March 2014 (the year in which effect of merger was given as explained above) and the profits earned during the year ended March 2013 amounting to Rs. 4.41 Million has been added to the balance of Surplus in Statement of Profit and Loss in Reserves and Surplus in the year ended March 2014. In the Statement of Profit and Loss, as restated for the year ended March 2013, adjustments have been made to include such profits earned from the appointed date of merger, i.e., from 1-Apr-2012.

b) Contingent liabilities and commitments (to the extent not provided for)

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(a) Contingent liability: Income tax matters under appeal	35.83	35.83	1.06	-	-
(b) Contingent liability: Claims on VAT which are under appeal	1.99	-	-	-	-
(c) Contingent liability: Corporate guarantee given on behalf of subsidiaries	181.26	237.30	427.89	361.69	260.60
(d) Estimated amount of contracts remaining to be executed on capital account (Net of advances and deposits)	1,738.06	1,486.30	189.03	115.29	231.21

c) Employee benefit plans

(i) Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Contribution to Provident Fund and Employee State Insurance Scheme	29.10	22.46	19.39	16.06	7.09

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

(ii) Defined benefit plans

The Group offers Gratuity and Compensated absence benefit schemes to its employees:

Gratuity: The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

(Amount in Rs. Million)					
Particulars	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Components of employer expense					
Current service cost	6.76	6.42	5.39	5.46	2.89
Interest cost	2.30	1.63	1.13	0.87	0.59
Expected return on plan assets	(0.05)	(0.06)	(0.07)	(0.09)	(0.12)
Curtailment cost/(credit)	-	-	-	-	-
Actuarial losses/(gains)	(0.55)	0.37	(0.55)	(2.02)	(0.11)
Total expense recognised in the Statement of Profit & Loss	8.46	8.36	5.90	4.22	3.25
Actual contribution and benefits payments					
Actual benefit payments	3.08	2.56	1.20	0.67	0.37
Actual contributions	-	-	1.10	-	-
Net asset/(liability) recognised in balance sheet					
Present value of defined benefit obligation (DBO)	(32.91)	(26.78)	(20.98)	(14.28)	(10.63)
Fair value of plan assets	0.59	0.59	0.85	0.93	1.50
Funded status [surplus/(deficit)]	(32.32)	(26.19)	(20.13)	(13.35)	(9.13)
Unrecognized past service costs	-	-	-	-	-
Net asset/(liability) recognised in balance sheet	(32.32)	(26.19)	(20.13)	(13.35)	(9.13)
Current	(15.14)	(13.41)	(1.69)	(1.06)	(0.73)
Non-current	(17.18)	(12.78)	(18.44)	(12.29)	(8.40)
Total asset / (liability) recognised in the balance sheet	(32.32)	(26.19)	(20.13)	(13.35)	(9.13)
Change in defined benefit obligations					
Present value of DBO at beginning of period	26.78	20.98	14.28	10.63	7.60
Acquisitions	0.75	-	1.98	-	-
Current service cost	6.76	6.42	5.39	5.46	2.89
Interest cost	2.30	1.63	1.13	0.87	0.59
Curtailment cost/(credit)	-	-	-	-	-
Actuarial (gains)/ losses	(0.60)	0.31	(0.60)	(2.01)	(0.08)
Benefits paid	(3.08)	(2.56)	(1.20)	(0.67)	(0.37)
Present Value of DBO at the end of period	32.91	26.78	20.98	14.28	10.63
Change in fair value of assets					
Plan assets at beginning of period	0.59	0.85	0.93	1.50	1.72
Expected return on plan assets	0.05	0.06	0.07	0.09	0.12
Actual contributions	-	-	-	-	-
Benefits paid	-	(0.26)	(0.10)	(0.67)	(0.37)
Actuarial gains/ (losses)	(0.05)	(0.06)	(0.05)	0.01	0.03
Plan assets at the end of period	0.59	0.59	0.85	0.93	1.50
Actuarial assumption					
Discount rate	7.80%	9.00%	8.25%	8.00%	8.00%
Expected return on plan assets	8.00%	8.00%	8.00%	8.00%	4.00%
Salary escalation	5.00%	5.00%	4.00%	15.00%	9.00%
Attrition rate	46 - 55.90%	15.00%	15.00%	15.00%	15.00%
Retirement age	58 years	58 years	58 years	58 years	58 years
Mortality	Indian Assured Lives Mortality (2006-08) modified Ult		LIC (94-96) mortality table		

Note:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

- (iii) Compensated absence: This employee benefit is not funded. The actuarial assumptions used in valuation of long-term compensated absences as at the period-end are given below:

Compensated absence:	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Expenses / (Reversal of expenses) for compensated absences recognised in the Statement of Profit and Loss	6.46	6.44	6.22	(3.80)	4.16
Actuarial assumption					
Discount rate	7.80%	9.00%	8.25%	8.50%	8.50%
Expected return on plan assets	NA	NA	NA	NA	NA
Salary escalation	5.00%	5.00%	4.00%	4.00%	4.00%
Attrition rate	46 - 55.90%	15.00%	15.00%	15.00%	15.00%
Retirement age	58 years	58 years	58 years	58 years	58 years
Mortality	Indian Assured Lives Mortality (2006-08) modified Ult		LIC (94-96) mortality table		

d) Employee Stock Option Scheme

- (i) In the extraordinary general meeting held on 25 August, 2010, the shareholders had approved the issue of 1,800,000 options under the Scheme titled “ Employee Stock Option Scheme 2010 (ESOP 2010). The ESOP 2010 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. The option holders may exercise those options vested based on passage of time commencing from the expiry of 4 years from the date of grant and those vested based on performance immediately after vesting, within the expiry of 10 years from the date of grant.

On 16 June, 2010, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

In the extraordinary general meeting held on 31 March, 2015, the shareholders approved for accelerated vesting of options outstanding as at 31 March, 2015. Accordingly, all the options outstanding were vested in the hands of option holders as at 31 March, 2015. Further, the remaining options available for grant under ESOP 2010 were transferred to ESOP 2014 scheme.

- (ii) Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March, 2014 and 25 August, 2010, the Board of Directors formulated the Scheme titled “Employee Stock Option Scheme 2014” (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Options Granted under ESOS 2014 would Vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

The Company granted 1,250,000 options to the Director of the Company on 1 April, 2014 and 110,100 options on 24 June, 2014 to the eligible employees. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

The grant date fair market value of the options granted through the stock option plan was measured based on Black Scholes method. Expected volatility is estimated by considering historic average share price volatility.

- (iii) **The detail of fair market value and the exercise price is as given below:**

Particulars	ESOP 2010	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	1-Apr-14	24-Jun-14
Fair market value of option at grant date (Rs.)	23.10	8.71	73.34
Fair market value of share at grant date (Rs.)	29.18	78.95	78.95
Exercise price (Rs.)	10.00	110.68	10.00

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

(iv) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Option outstanding at the beginning of the period:					
- ESOP 2010	1,130,300	1,294,800	1,294,800	1,294,800	-
- ESOP 2014	-	-	-	-	-
Granted during the period/ year:					
- ESOP 2010	-	-	-	-	1,294,800
- ESOP 2014	1,360,100	-	-	-	-
Exercised during the period/ year:					
- ESOP 2010	-	-	-	-	-
- ESOP 2014	-	-	-	-	-
Lapsed during the period/ year:					
- ESOP 2010	61,106	164,500	-	-	-
- ESOP 2014	-	-	-	-	-
Options outstanding at the end of the period/ year:					
- ESOP 2010	1,069,194	1,130,300	1,294,800	1,294,800	1,294,800
- ESOP 2014	1,360,100	-	-	-	-
Options available for grant:					
- ESOP 2010	-	669,700	505,200	505,200	505,200
- ESOP 2014	2,870,706	-	-	-	-

(v) Assumptions used in calculating the fair value is as given below:

Assumptions	ESOP 2010	ESOP 2014	ESOP 2014
Grant date	16-Jun-10	1-Apr-14	24-Jun-14
Risk Free Interest Rate	7.67%	8.56%	8.70%
Expected Life	6.50	1.80	6.50
Expected Annual Volatility of Shares	0.00%	33.31%	44.48%
Expected Dividend Yield	0.00%	0.00%	0.00%

e) Expenses and borrowing cost capitalised as fixed assets/capital work in progress

Below mentioned expenditure are specifically attributable to the acquisition of a fixed asset or bringing it to its working condition, and hence capitalised as part of the cost of the fixed asset.

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Personnel Cost	8.21	1.95	1.54	-	-
Medical Consultancy Charges	-	-	1.55	-	-
Consumables	0.04	0.26	0.25	-	-
Rental Charges	10.69	10.26	6.61	-	13.56
Insurance	-	0.01	0.04	-	-
Legal and professional charges	-	2.58	5.43	-	-
Other expenses	1.32	1.68	1.69	-	-
Exchange (gain)/ loss	16.19	26.49	13.56	17.65	(0.60)
Gross expenses	36.45	43.23	30.67	17.65	12.96
Less: Preoperative revenue	-	(0.19)	(0.16)	-	-
Total	36.45	43.04	30.51	17.65	12.96

Details of borrowing costs capitalised

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Loan commitment charges	-	-	-	-	0.16
Borrowing cost	-	-	-	-	15.34

f) Segment information

The Group's operations comprises of only one segment viz., setting up and managing cancer hospitals, cancer centers and medical diagnostic services. The Group's operations are in India and therefore there are no secondary geographical segments.

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

g) Details of operating leasing arrangements

The Group has taken premises on non-cancellable operating lease. The period of lease ranging from 10 to 15 years. Escalation clauses ranges from 10% to 15% over a period ranging from 3 to 5 years. The details of rent paid and the future minimum lease rentals are as follows:

Particulars	(Amount in Rs. Million)				
	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Future minimum lease payments:					
- Upto One year	66.86	77.78	69.43	21.64	70.22
- More than one year and upto five years	247.59	306.07	333.13	84.37	261.50
- More than five years	415.21	539.35	558.04	47.98	1,269.37
Expenditure on lease payments with respect to above mentioned operating lease arrangements.	86.75	87.14	48.04	22.37	60.10
Less: Expenses capitalised	(10.69)	(10.26)	(6.61)	-	(13.56)
Expenditure recognised in the Statement of Profit and Loss	76.06	76.88	41.43	22.37	46.54

The Company's significant cancellable leasing arrangements are mainly in respect of its hospital premises and equipments. The aggregate lease rentals on these cancellable arrangements charged to the Statement of Profit and Loss is given below:

Particulars	(Amount in Rs. Million)				
	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Lease rentals on cancellable arrangements recognised in the Statement of Profit and Loss	25.56	17.30	13.94	14.40	9.09

h) Details of finance lease arrangements

The Company has acquired certain building and medical equipments under finance lease. The details of future minimum lease payment and reconciliation of gross investment in the lease and payment value of minimum lease payments are given below:

Particulars	(Amount in Rs. Million)				
	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Future minimum lease payments:					
- Upto One year	83.32	78.32	71.39	58.80	11.24
- More than one year and upto five years	324.77	330.28	334.60	289.76	63.55
- More than five years	1,956.63	2,034.44	2,108.44	1,880.10	547.33
	2,364.72	2,443.04	2,514.43	2,228.66	622.12
Less: Unamortised finance charges	(1,715.62)	(1,779.95)	(1,842.22)	(1,629.91)	(495.68)
	649.10	663.09	672.21	598.75	126.44
Present value of minimum lease payments payables:					
- Upto One year	16.85	13.99	9.12	5.57	0.27
- More than one year and upto five years	33.41	50.26	64.25	58.18	-
- More than five years	598.84	598.84	598.84	535.00	126.17
	649.10	663.09	672.21	598.75	126.44

Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts

i) Deferred tax asset / (liability) (net)

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Tax effect of items constituting deferred tax liability:					
- On difference between book balance and tax balance of fixed assets	(463.21)	(401.85)	(324.11)	(240.62)	(241.12)
Tax effect of items constituting deferred tax assets:					
- Provision for doubtful debts / advances	87.40	76.85	29.67	19.53	9.83
- Disallowances under Section 43B of the Income Tax Act, 1961	20.01	20.59	10.17	6.87	51.88
- Unabsorbed depreciation and business losses carried forward	410.52	304.41	279.34	228.61	198.31
Deferred tax liability (net)	54.72	-	(4.93)	14.39	18.90

Note: The Group has recognised deferred tax asset on unabsorbed depreciation and / or carried forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

j) Changes in useful life of fixed assets

During the year ended 31-Mar-15, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1-Apr-14, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied useful life are as follows:

Asset	Previous useful life	Revised useful life
Buildings	60 years	60 years
Assets acquired on finance lease and Leasehold Improvements	Over the Lease Period	Over the Lease Period
Data Processing Equipments	5.86 years	3 - 6 years
Laboratory Equipment	13.44 years	10 years
Plant & Machinery (including medical equipments)	10 - 20 years	10 - 15 years
Electrical Installation	10 years	20 years
Furniture and Fixtures	15 years	10 years
Office Equipments	13.44 years	5 years
Vehicles	10 years	8 years
Software used in Plant & Machinery	15 years	13 years
Data Processing Software	5.86 years	6 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1-Apr-14, and has adjusted an amount of Rs. 6.63 Million (net of deferred tax of Rs. 3.41 Million) against the opening Surplus / (Deficit) balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 6.39 Million consequent to the change in the useful life of the assets.

k) Share application money pending allotment as at 31-Mar-11:

The Company had made a Rights Issue of its equity shares, in the ratio of 11 shares for every 100 shares held in the Company as on 10-Mar-2011, being the record date for the Issue. The issue price per share was Rs. 86.30/- per share, and was declared as partly payable on issue at Rs. 43.15/- per share and the remaining to be called up as first and final call money within six months from the record date. The Company received Rs 72.89 Million till 31-Mar-11 being the partly paid amount of 1,689,254 shares. During the year ending March 2012, the Company received the balance call money and allotted these shares.

Annexure 6: Summary Statement of Share Capital, as restated

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Authorised capital					
Equity shares of Rs.10/- each, with voting rights					
- Number of shares	127,000,000	120,000,000	120,000,000	65,000,000	65,000,000
- Amount in Rs. Million	1,270.00	1,200.00	1,200.00	650.00	650.00
Issued, subscribed and paid-up capital					
A. Fully paid-up					
Equity shares of Rs.10/- each, with voting rights					
- Number of shares	69,983,808	68,245,112	65,534,814	59,271,741	53,303,500
- Amount in Rs. Million	699.84	682.45	655.35	592.72	533.04
B. Partly paid-up					
Equity shares of Rs.10/- each with voting rights, Rs.5/- partly paid up					
- Number of shares	-	-	2,710,298	-	-
- Amount in Rs. Million	-	-	13.55	-	-
Total paid-up capital (Amount in Rs. Million)	699.84	682.45	668.90	592.72	533.04

a) Terms & Rights attached to each class of shares:

The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

b) Details of Shareholders holding more than 5% shares in the Company

Name of shareholder	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Dr B.S Ajai Kumar					
- Number of equity shares of Rs. 10 each	17,393,082	16,234,334	16,234,334	15,769,350	15,173,486
- Percentage of holding (%)	24.85%	23.79%	24.27%	26.61%	28.47%
Evolve India Life Sciences Fund LLC					
- Number of equity shares of Rs. 10 each	-	-	-	5,388,006	5,388,006
- Percentage of holding (%)	0.00%	0.00%	0.00%	9.09%	10.11%
PI Opportunities Fund 1					
- Number of equity shares of Rs. 10 each	15,380,000	15,380,000	15,380,000	12,669,702	4,826,530
- Percentage of holding (%)	21.98%	22.54%	22.99%	21.38%	9.05%
IL&FS Trust Company Limited A/c Milestone Private Equity Fund					
- Number of equity shares of Rs. 10 each	12,877,583	12,877,583	12,877,583	12,104,411	11,785,207
- Percentage of holding (%)	18.40%	18.87%	19.25%	20.42%	22.11%
Napean Investments and Trading Company Private Limited					
- Number of equity shares of Rs. 10 each	-	-	-	-	6,587,616
- Percentage of holding (%)	0.00%	0.00%	0.00%	0.00%	12.36%
V Sciences Investments Pte. Limited					
- Number of equity shares of Rs. 10 each	11,770,805	11,770,805	11,770,805	-	-
- Percentage of holding (%)	16.82%	17.25%	17.60%	0.00%	0.00%

c) Aggregate number of equity shares of Rs. 10 each allotted as fully paid up without payment being received in cash

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(a) pursuant to contract without payment being received in cash	750,126	750,126	750,126	750,126	750,126
(b) by way of bonus shares	35,625,585	35,625,585	35,625,585	35,625,585	35,625,585
(c) pursuant to merger without payment being received in cash	684,802	104,854	104,854	104,854	-

Note: Shares pending allotment without payment being received in cash pursuant to merger have not been included in the above table since allotment was not completed as at the aforesaid dates.

d) Number of equity shares of Rs.10/- each reserved for issuance

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
a) to eligible employees under Employee Stock Option Scheme	5,300,000	1,800,000	1,800,000	1,800,000	1,800,000
b) pursuant to outstanding share warrants	950,341	2,109,089	1,205,584	1,205,584	-
c) to minority shareholders pursuant to merger	846,760	579,948	579,948	-	104,854

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 7: Standalone Summary Statement of Reserves and Surplus, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(a) Securities premium account						
Opening balance (Refer note below)		2,341.79	2,205.52	1,455.50	1,008.12	949.73
Add: Premium on shares issued during the year		88.41	136.44	767.00	447.38	59.47
Less: Adjustment pursuant to merger of HCG Vijay Oncology Private Limited with the Company		-	-	(14.43)	-	-
Less: Utilised during the year for share issue expenses		-	(0.17)	(2.55)	-	(1.08)
Closing balance		A	2,430.20	2,341.79	2,205.52	1,455.50
(b) Share options outstanding account						
Opening balance		23.31	18.64	18.64	18.64	-
Add: Amounts recorded on grants during the year		18.96	-	-	-	18.64
Add: Amounts recorded on change in estimated forfeitures during the year		0.98	4.67	-	-	-
		43.25	23.31	18.64	18.64	18.64
Less: Deferred stock compensation expense		(8.88)	(0.92)	(5.14)	(9.63)	(14.66)
Closing balance		B	34.37	22.39	13.50	3.98
(c) Capital reserve						
Opening balance		-	-	-	-	-
Add: Adjustment pursuant to merger of HCG Vijay Oncology Private Limited with the Company		19.05	-	-	-	-
Less: Transfer of capital reserve on merger of HCG Vijay Oncology Private Limited with the Company to Surplus / (Deficit) in Statement of Profit and Loss		(19.05)	-	-	-	-
Closing balance		C	-	-	-	-
(d) Surplus / (Deficit) in Standalone Statement of Profit and Loss						
Opening balance, as restated (Refer Note f of Annexure 4 for restated opening balance for the year ended 31-Mar-2011)		(445.00)	(50.02)	21.56	61.58	27.18
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred taxes Rs. 3.41 Million)		(6.63)	-	-	-	-
Add: Transfer from capital reserve on merger of HCG Vijay Oncology Private Limited		19.05	-	-	-	-
Add: Profit/ (Loss) for the year, as restated		(23.66)	(394.98)	(71.58)	(40.02)	34.40
Closing balance		D	(456.24)	(445.00)	21.56	61.58
Total (A + B + C + D)			2,008.33	1,919.18	2,169.00	1,486.07

Note:

Opening balance of securities premium account as at 1-Apr-2010 is after reduction of following amounts pursuant to merger of Banashankari Medical and Oncology Research Center Limited with effect from appointed date 1-Apr-2009, given effect in the audited financial statements in the year ended 31-Mar-2011:

- (i) Rs. 42.13 Million: towards cancellation of excess of cost of investment over the net assets merged with the Company after deduction of consideration to be issued to the minority shareholders, and
- (ii) Rs. 81.71 Million: for adjustment of net debit balance in Statement of Profit and Loss (deficit)

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Secured loans						
- Term loans from banks		1,424.41	1,101.72	1,168.32	270.34	502.18
- Term loans from other parties		131.63	170.55	186.83	153.55	162.48
- Vehicle Loans		1.48	0.87	-	-	-
- Working capital loans		292.70	123.61	314.51	469.63	138.95
Total	A	1,850.22	1,396.75	1,669.66	893.52	803.61
Unsecured loans						
- Fully convertible 8% debentures		-	-	-	35.70	35.70
- Long-term maturities of finance lease obligations		649.10	663.09	672.21	598.75	126.44
- Deferred payment liabilities		609.15	431.79	290.79	187.31	99.04
- Inter-corporate deposits		-	50.00	-	-	-
Total	B	1,258.25	1,144.88	963.00	821.76	261.18
Total borrowings (A + B)		3,108.47	2,541.63	2,632.66	1,715.28	1,064.79
Total borrowings represented by:						
- Long-term borrowings		2,474.13	2,214.99	2,042.76	994.89	786.97
- Short-term borrowings		292.70	173.61	374.51	510.88	138.95
- Current maturities of long-term borrowings (included in other-current liabilities)		341.64	153.03	215.39	209.51	138.87
Total		3,108.47	2,541.63	2,632.66	1,715.28	1,064.79

Note: As at 31-Mar-15, there is no outstanding balance of amount borrowed from promoter/group companies/ related parties.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

a) Secured term loans from Banks

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	No. of Installments outstanding as at 31- Mar-15	Prepayment Charges	Security
1	State Bank of India	18.45	Base rate 9.75% + Spread 2.40%	To be repaid in 96 monthly installments after a moratorium of 15 months from the date of disbursement.	38	Prepayment charges as applicable.	(i) Hypothecation of medical equipments and other fixed assets purchased /proposed to be purchased out of bank finance. (ii) Collateral: Extension of equitable mortgage over immovable property 1813.54sqmtrs of land (Subplot No. 1) with entire superstructure of building known as HCG Medisurge Hospitals situated at 1, Maharashtra society, Near Mithakali Six road, Ahmedabad. (iii) Corporate Guarantee of the Company.
2	Yes Bank Limited	88.57	Base rate 10.75% + Spread 1.25%	To be repaid in 84 equal monthly installments after a moratorium of 12 months from the date of first disbursement.	62	Prepayment penalty of 1% will be charged at the sole discretion of the Bank if loan is prepaid out of borrowed proceeds from Banks, Financial institutions or others. Else, no prepayment penalty.	(i) Second pari passu charge on immovable and movable fixed assets and current assets (present and future) of the Company. (ii) Exclusive charge on all current assets and all receivables (present and future) and movable fixed assets (present and future), not charged exclusively to any lender of HCG Balabhai Nanavati Hospital Cancer Care Centre.
3	Yes Bank Limited	1,054.70	Base rate 10.75% + Spread 1.25%	To be repaid in 36 structured quarterly installments after a moratorium up to March 2014 Door to door tenor up to March 2023	32		(i) First charge on all immovable fixed assets(land and building structures) and movable fixed assets(both present and future) of the Company not charged exclusively to any other lender. (ii) Second pari passu charge on all current assets and all receivables (present and future). (iii) Exclusive charge on all equipment purchased from these facilities.
4	Yes Bank Limited	118.50	Base rate 10.75% + Spread 1.25%	To be repaid in 28 structured quarterly installments. Door to door tenor of 10 years including a moratorium of 3 years.	28		DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

a) Secured term loans from Banks

5	Yes Bank Limited	102.50	Base rate 10.75% + Spread 1.25%	To be repaid in quarterly structured installments. Door to door tenor of 10 years including a 1 year moratorium	36	Prepayment penalty of 1% will be charged at the sole discretion of the Bank if loan is prepaid out of borrowed proceeds from Banks, Financial institutions or others. Else, no prepayment penalty.	(i) Exclusive charge on all equipment purchased from these facilities. (ii) Extension of exclusive charge on assets/equipments purchased/ to be purchased with existing Yes bank facilities. (ii) Exclusive charge on all current assets and all receivables (present and future) and movable fixed assets (present and future) of HCG Balabhai Nanavati Hospital Cancer Care Centre. (iii) Second pari passu charge on immovable and movable fixed assets and current assets (present and future) of the Company. (iv) DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created. Minimum security cover of 1.25 times through charge on equipments.
6	State Bank of India	19.82	Base rate 10.00% + Spread 3.75% and Tenor Premium 0.1%	To be repaid in 27 quarterly installments.	5	Prepayment charges as applicable.	(i) The assets purchased out of the proceeds of the loan. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by the Company and personal guarantee provided by the promoter, Dr. M. Gopichand.
7	State Bank of India	19.57	Base rate 10.00% + Spread 3.75% and Tenor Premium 0.1%	To be repaid in 21 structured quarterly installments.	11		(i) The assets purchased out of the proceeds of the loan (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by the Company and personal guarantee provided by the promoter, Dr. M. Gopichand.
8	State Bank of India	2.30	Base rate 10.00% + Spread 3.75% and Tenor Premium 0.1%	To be repaid in 48 monthly installments commencing from October 2013.	23		(i) The assets purchased out of the proceeds of the loan. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by the Company and personal guarantee provided by the promoter, Dr. M. Gopichand.
		1,424.41					

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

b) Secured term loans (equipment finance loans) from other parties

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	No. of installments outstanding as at 31-Mar-15	Prepayment Charges	Security
1	Siemens Financial Services Private Limited	0.64	13.50%	To be repaid in 60 equal monthly installments commencing 30 days from the date of disbursement being July 27, 2012. Tenor of 60 months	28	4% on the prepaid amount/amount outstanding	Exclusive charge by way of hypothecation over the Siemens Multimobil 5C, locted at SMH Curie Cancer Centre, Shanti Mukund Hospital, No. 2, Institutional Area, Karakaradooma, Delhi- 10092.
2	Siemens Financial Services Private Limited	0.64	14.00%	To be repaid in 48 structured monthly installments.	23	4% on the prepaid amount/amount outstanding	Exclusive charge by hypothecation of the Siemens Acuson X 300 2.0 and the Siemens Mobile X-Ray Multimobile 2.5 financed from the loan.
3	Siemens Financial Services Private Limited	1.03	13.50%	To be repaid in 60 months.	33	4% on the prepaid amount/amount outstanding	Exclusive charge by way of hypothecation over the RS Mammography Mammomat 3000 with Biopsy Plate.
4	SREI Equipment Finance Private Limited	5.31	14.05%	To be repaid in 72 structured equal monthly installments.	46	Premium of 2% exclusive of any taxes , surcharge cess, or any other levies over the Net present value of Repayment installments prepaid and discounting of all the future repayment installments at bank rate declared by RBI	Exclusive charge by way of hypothecation over the1 No. GE Carbon – 11 Target.
5	SREI Equipment Finance Private Limited	3.34	9.22%	To be repaid in 56 structured equal monthly installments over a period of 60 months.	30	None	Exclusive charge by way of hypothecation over the CT Scan (Gold Seal) machines.
6	SREI Equipment Finance Private Limited	3.60	9.22%	To be repaid in 56 structured equal monthly installments over a period of 60 months.	29	None	Exclusive charge by way of hypothecation over the CT Scan (Gold Seal) machines.
7	SREI Equipment Finance Private Limited	48.23	4.64%	To be repaid in 51 structured monthly installments over a period of 85 months	49	None	Exclusive charge by way of hypothecation over the Cathlab Machine- GE IGS 540 along with accessories.
8	SREI Equipment Finance Private Limited	1.20	12.76%	To be repaid in 84 monthly installments.	57	None	Exclusive charge by way of hypothecation over the Cathlab Machine- GE IGS 540 along with accessories.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

b) Secured term loans (equipment finance loans) from other parties

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	No. of installments outstanding as at 31-Mar-15	Prepayment Charges	Security
9	SREI Equipment Finance Private Limited	48.68	8.25%	To be repaid in 72 monthly unequal installments.	14	4% on the prepaid amount/amount outstanding excluding service tax	Exclusive charge by way of hypothecation over the PET CT and MRI 3 TESLA, machinery spares, tools and accessories, present and future, subject to the prior charges created and or to be created.
10	SREI Equipment Finance Private Limited	18.96	12.00%	To be repaid in 72 monthly unequal installments	58	The prepayment amount payable will be calculated by applying the discount rate (lower of the below two) on the "Money Payable": a) Original Expected Lessor IRR less 1% b) reinvestment rates for an economically equivalent lease proposal at the present transaction	Exclusive charge by way of hypothecation over Innova Optima Edition 2100 Cathlab.
		131.63					

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

c) Secured vehicle loans from bank and other parties

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms	Prepayment Charges
1	Kotak Mahindra Prime Limited	0.50	10.80%	To be repaid in 36 monthly installments	5.85% of principal outstanding
2	HDFC Bank Limited	0.98	10.50%	To be repaid in 36 monthly installments	None
	Total	1.48			

The above loans are secured by vehicle purchased out of amount financed

d) Secured working capital loans from banks

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Security
1	ICICI Bank Limited	91.56	Base rate +2%	(i). First pari passu charge on entire current assets of the borrower both present and future (excluding current assets of HCG Balabhai Nanavati Hospital Multispeciality unit of HCG Medisurge which got demerged) (ii). Second pari passu charge on present and future fixed assets of the borrower along with the other lenders (other than present and future assets required to be exclusively charged/ charged on first ranking basis to new term lenders)

2	Axis Bank Limited	76.66	Base rate +2.5%	(i). First pari passu charge over current assets (excluding current assets of Healthcare Global- Balabhai Nanavati Hospital Cancer Care centre)with other working capital lenders. (ii). Second pari passu charge on movable fixed assets of the company, other than those exclusively charged to the lenders for their WC/ TL facilities, and equipment financiers for their equipment finance facilities and excluding movable fixed assets of HCG- BNH hospital. (iii). Second pari passu charge on immovable fixed assets comprising of following immovable properties: a) Property bearing old municipal no. 6 now changed as no. 7, ward no. 7, Sampangiramnagar, PID No. 77 -1-7 measuring 16961.8 sqft. b) Property No. 5(CTS 487), 2nd cross, Sreenivasa colony Div 44 Bangalore, measuring East to west 115+112/2 X 68+50/2 c) Property bearing No. 6, P Kalinga Rao road, measuring 18910 sqft having built up area of 3566.33 sqmts. d) Leasehold rights over a portion of property bearing old municipal no. 6 now no. 7, Now 7/1, Ward No. 77, Sampangiramnagar, having PID No. 77-1-7 measuring East to west 152ft 6 inches and North to south 45 ft. (iv). Personal Guarantee of Dr. B.S Ajai Kumar. (v) Letter of comfort from subsidiaries where the borrower has 90% or higher shareholding.
3	Yes Bank Limited	73.64	Base rate +1.25%	(i)First pari passu charge over current assets and receivables (both present and future of HCGEL). (ii)Second pari passu charge on immovable fixed assets and movable fixed assets (both present and future) of HCGEL excluding assets charged exclusively to lender. (iii) Exclusive charge on current assets and all the receivables(both present and future) and moveable fixed assets (both present and future, not charged exclusively to any lender) of HCG BNH.
4	HDFC Bank Limited	30.92	HDFC base rate+225bps	(i) Pari Passu charge on all current assets. (ii)Second charge on land and buildings of HCG towers bearing municipal No. 7& 8 owned by the company.

d) Secured working capital loans from banks, contd.,

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Security
5	State Bank of India	16.90	Base rate+2.25%	(i) Primary- Hypothecation of stocks and receivables of the company. (ii) Collateral- Extension of equitable mortgage over immovable property 1813.54sqmtrs of land (Subplot No. 1) with entire superstructure of building known as HCG Medisurge Hospitals situated at 1, Maharashtra society, Near Mithakali Six road, Ahmedabad.
6	State Bank of India	3.02	Base rate +3.75%	(i) Primary- Hypothecation of stocks and receivables. (ii) Collateral of 1306.66 square yards of land situated at 227, Padavala Revu, Gunadala, Vijaywada belonging to the Subsidiary, and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District. (iii) Corporate guarantee provided by our Company and personal guarantee provided by the promoter, Dr. M. Gopichand
		292.70		

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

e) Unsecured borrowings - Finance lease obligations

No	Particulars	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
1	Capitalisation of Building taken for Long Term capitalised under Finance Lease as per AS-19	598.84	12.00%	Refer Note h) under 'B. Notes to Accounts' in Annexure 5 for minimum lease payments
2	Finance lease for Machinery, BIO SREI	50.26	5.86%	
		649.10		

f) Unsecured borrowings - Deferred payment liabilities for purchase of Medical equipments

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
1	Elekt Limited	83.25	4.25% every six months	5% of the amount has been paid as down payment. 95% of the amount to be paid in seven half yearly installments commencing from June 2015.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

f) Unsecured borrowings - Deferred payment liabilities for purchase of Medical equipments, contd.,

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
2	Varian Medical Systems	31.23		0 USD 100,000 to be paid within 30 days on shipment i.e., by Sep 2013, USD 2,00,000 within 12 months from the date of shipment and USD 1,99,000 with 30 days after 24 months from the date of shipment. As per the information and explanations given to us, the Company has agreed for change in repayment terms orally such that the repayments will commence once the other medical equipments (to which the accessories financed out of this loan) are purchased. The Company is in the process of entering into a written agreement to consider these revised repayment terms.
3	Varian Medical Systems	32.38	1.15% p.a. excluding applicable taxes payable quaterly in advance	3years Letter of credit, paid in April 2015
4	Varian Medical Systems	10.64	1.15% p.a. excluding applicable taxes payable quaterly in advance	3years Letter of credit, payable in Oct 2015
5	WIPRO GE Healthcare Private Limited	53.20	0.75%p.a +Service tax, collected upfront.	3years Letter of credit, USD 824,500 payable in Dec2017 and balance USD 25,500 payable in Jan 2018.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

f) Unsecured borrowings - Deferred payment liabilities for purchase of Medical equipments, contd.,

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
6	WIPRO GE Healthcare Private Limited	23.20	0.75%p.a +Service tax, collected upfront.	Letter of credits of unequal amounts payable in July 2016, Nov 2016 and Dec 2016.
7	WIPRO GE Healthcare Private Limited	46.66	0.75%p.a +Service tax, collected upfront.	3years Letter of credit, payable in Nov 2016
8	WIPRO GE Healthcare Private Limited	2.75	0.75%p.a +Service tax, collected upfront.	3years Letter of credit, payable in July 2016
9	Siemens Aktiengesellschaft, Medical Solutions	59.46	0	To be repaid in three equal installments,with 1st installment payable in Oct 2015, 2nd installment payable in Oct 2016, 3rd installment payable in Sep 2017.
10	Siemens Aktiengesellschaft, Medical Solutions	59.46	0	To be repaid in three equal installments,with 1st installment payable in Dec 2015, 2nd installment payable in Dec 2016, 3rd installment payable in Nov 2017.
11	Siemens Aktiengesellschaft, Medical Solutions	49.45	0	Bullet repayment in July 2016
12	Siemens Aktiengesellschaft, Medical Solutions	10.11	2.45%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 24 quaterly structured installments ending in Nov 2017.
13	Siemens Aktiengesellschaft, Medical Solutions	10.11	2.45%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 24 quarterly unequal tranches ending on Oct 2017.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 8: Standalone Summary Statement of Secured and Unsecured Loans, as restated

Principal Terms and Conditions of Long Term and Short Term Borrowings as at 31-Mar-15:

f) Unsecured borrowings - Deferred payment liabilities for purchase of Medical equipments, contd.,

No	Name of Lender	Amount Rs. in Million Outstanding as at 31-Mar-15	Rate of Interest (p.a)	Repayment terms
14	Siemens Aktiengesellschaft, Medical Solutions	54.94	2.45%	5% of the amount has been paid as down payment. 95% of the amount to be paid in 24 quarterly unequal tranches ending on Oct 2017.
15	Siemens Aktiengesellschaft, Medical Solutions	36.93	0	Bullet repayment in Nov 2016
16	Siemens Aktiengesellschaft, Medical Solutions	45.38	1.15% p.a. payable quaterly in advance	Bullet repayment in Aug 2015
		609.15		

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 9: Standalone Summary Statement of Fixed Assets, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Gross block						
Tangible assets						
- Land (freehold)		402.31	347.53	347.53	325.84	73.23
- Buildings (freehold)		684.52	549.79	544.56	454.51	446.74
- Buildings (under finance lease)		598.84	598.84	598.84	519.64	126.16
- Plant and equipments (owned)		2,997.11	2,547.21	2,244.97	1,717.46	1,491.66
- Plant and equipments (under finance lease)		80.30	80.30	80.30	80.30	-
- Lab equipments (owned)		59.13	57.41	48.66	46.34	45.51
- Data processing equipments (owned)		63.10	47.97	36.87	26.52	25.18
- Electrical installations		35.78	34.91	34.32	34.07	31.89
- Furniture and fixtures (owned)		103.23	88.99	82.76	47.93	41.55
- Vehicles (owned)		12.44	9.68	10.05	4.66	4.66
- Office equipments (owned)		57.65	48.36	40.52	9.84	8.84
- Leasehold improvements		349.78	300.79	285.77	237.59	235.63
Total	A	5,444.19	4,711.78	4,355.15	3,504.70	2,531.05
Intangible assets						
- Data processing software		56.38	50.23	48.57	7.85	4.67
- Software used in Plant & Machinery		7.35	7.35	7.35	7.35	7.35
- Goodwill		155.43	155.43	155.43	-	-
Total	B	219.16	213.01	211.35	15.20	12.02
II. Accumulated depreciation						
Tangible assets						
- Land (freehold)		-	-	-	-	-
- Buildings (freehold)		82.50	57.35	46.89	20.41	13.07
- Buildings (under finance lease)		97.65	73.73	49.67	25.63	4.56
- Plant and equipments (owned)		1,078.58	831.20	651.45	484.01	357.65
- Plant and equipments (under finance lease)		26.47	18.27	10.04	2.01	-
- Lab equipments (owned)		33.69	24.05	20.21	16.88	13.64
- Data processing equipments (owned)		44.24	30.47	26.78	22.34	20.75
- Electrical installations		22.49	14.90	13.05	11.36	9.62
- Furniture and fixtures (owned)		53.03	40.35	34.88	20.27	16.46
- Vehicles (owned)		4.11	2.70	4.61	2.31	1.95
- Office equipments (owned)		25.41	11.21	8.66	3.41	2.89
- Leasehold improvements		85.88	69.92	54.58	41.94	31.41
Total	A	1,554.05	1,174.15	920.82	650.57	472.00
Intangible assets						
- Computer software		27.47	15.51	7.88	3.55	1.92
- Software used in Plant & Machinery		4.18	3.89	3.48	3.05	2.62
- Goodwill		29.86	19.48	9.11	-	-
Total	B	61.51	38.88	20.47	6.60	4.54

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 9: Standalone Summary Statement of Fixed Assets, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
III. Net block						
Tangible assets						
- Land (freehold)		402.31	347.53	347.53	325.84	73.23
- Buildings (freehold)		602.02	492.44	497.67	434.10	433.67
- Buildings (under finance lease)		501.19	525.11	549.17	494.01	121.60
- Plant and equipments (owned)		1,918.53	1,716.01	1,593.52	1,233.45	1,134.01
- Plant and equipments (under finance lease)		53.83	62.03	70.26	78.29	-
- Lab equipments (owned)		25.44	33.36	28.45	29.46	31.87
- Data processing equipments (owned)		18.86	17.50	10.09	4.18	4.43
- Electrical installations		13.29	20.01	21.27	22.71	22.27
- Furniture and fixtures (owned)		50.20	48.64	47.88	27.66	25.09
- Vehicles (owned)		8.33	6.98	5.44	2.35	2.71
- Office equipments (owned)		32.24	37.15	31.86	6.43	5.95
- Leasehold improvements		263.90	230.87	231.19	195.65	204.22
Total	A	3,890.14	3,537.63	3,434.33	2,854.13	2,059.05
Intangible assets						
- Computer software		28.91	34.72	40.69	4.30	2.75
- Software used in Plant & Machinery		3.17	3.46	3.87	4.30	4.73
- Goodwill		125.57	135.95	146.32	-	-
Total	B	157.65	174.13	190.88	8.60	7.48

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 10: Standalone Summary Statement of Non-Current Investments, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
A) Investment in equity accounted investees					
(a) Investment in equity instruments of subsidiaries:					
HealthCare Global Vijay Oncology Private Limited					
- Cost of investment (Amount in Rs. Million)	-	24.13	24.13	24.13	24.13
- Number of equity shares	-	2,413,000	2,413,000	2,413,000	2,413,000
- Percentage of holding	-	65.0%	65.0%	65.0%	65.0%
Malnad Hospital & Institute of Oncology Private Limited					
- Cost of investment (Amount in Rs. Million)	6.44	4.38	4.38	4.38	4.38
- Number of equity shares	66,706	46,100	46,100	46,100	46,100
- Percentage of holding	70%	62%	62%	62%	62%
MIMS HCG Oncology Private Limited					
- Cost of investment (Amount in Rs. Million)	0.50	0.50	0.50	0.50	0.50
- Number of equity shares	50,000	50,000	50,000	50,000	50,000
- Percentage of holding	100%	100%	100%	100%	100%
HealthCare Global Senthil Multi-Specialty Hospital Private Limited					
- Cost of investment (Amount in Rs. Million)	8.39	8.39	8.39	8.39	8.39
- Provision for decline in value of investments, other than temporary (Amount in Rs. Million)	(8.39)	(8.39)	-	-	-
- Number of equity shares	92,880	92,880	92,880	92,880	92,880
- Percentage of holding	100%	100%	100%	100%	100%
HCG Medi-surge Hospitals Private Limited					
- Cost of investment (Amount in Rs. Million)	94.66	94.66	94.66	242.24	147.58
- Number of equity shares	4,120,807	4,120,807	6,186,545	6,186,545	3,205,783
- Percentage of holding	74%	74%	81%	88%	90%
HCG TVH Medical Imaging Private Limited					
- Cost of investment (Amount in Rs. Million)	0.26	0.26	0.26	0.26	0.26
- Number of equity shares	255,000	255,000	255,000	255,000	255,000
- Percentage of holding	51%	51%	51%	51%	51%
BACC HealthCare Private Limited					
- Cost of investment (Amount in Rs. Million)	602.28	602.28	602.28	-	-
- Number of equity shares	46,883	46,883	46,883	-	-
- Percentage of holding	50.50%	50.50%	50.50%	0.00%	0.00%
HCG Pinnacle Oncology Private Limited					
- Cost of investment (Amount in Rs. Million)	0.50	0.50	-	-	-
- Number of equity shares	50,100	50,100	-	-	-
- Percentage of holding	50.10%	50.10%	0.00%	0.00%	0.00%
Health Care Global (Uganda) Private Limited					
- Cost of investment (Amount in Rs. Million)	3.19	3.19	-	-	-
- Number of equity shares	71,430	71,430	-	-	-
- Percentage of holding	100%	100%	-	-	-
HealthCare Global (Kenya) Private Limited					
- Cost of investment (Amount in Rs. Million)	3.71	-	-	-	-
- Number of equity shares	269,653	-	-	-	-
- Percentage of holding	100%	-	-	-	-
HealthCare Global (Tanzania) Private Limited					
- Cost of investment (Amount in Rs. Million)	0.06	-	-	-	-
- Number of equity shares	18,000	-	-	-	-
- Percentage of holding	100%	-	-	-	-
HCG Regency Oncology Private Limited					
- Cost of investment (Amount in Rs. Million)	50.20	-	-	-	-
- Number of equity shares	5,020,000	-	-	-	-
- Percentage of holding	50.10%	0.00%	0.00%	0.00%	0.00%
	761.80	729.90	734.60	279.90	185.24

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 10: Standalone Summary Statement of Non-Current Investments, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(b) Investment in preference shares of subsidiaries:					
HCG TVH Medical Imaging Private Limited					
- Cost of investment (Amount in Rs. Million)	15.00	15.00	15.00	15.00	15.00
- Number of equity shares	75,000	75,000	75,000	75,000	75,000
- Percentage of holding	51%	51%	51%	51%	51%
(c) Investment in equity shares of associate:					
HCG Regency Oncology Private Limited					
- Cost of investment (Amount in Rs. Million)	-	19.80	1.00	-	-
- Number of equity shares	-	1,980,000	100,000	-	-
- Percentage of holding	-	29%	50%		
(d) Investment in Limited Liability Partnership (LLP):					
HCG Diwanchand Imaging LLP					
- Cost of investment (Amount in Rs. Million)	31.77	27.89	22.21	16.96	13.51
- Partnership share	75%	75%	55%	55%	55%
APEX HCG Oncology Hospitals LLP					
- Cost of investment (Amount in Rs. Million)	27.78	6.25	-	-	-
- Partnership share	50.01%	50.03%	0.00%	0.00%	0.00%
(e) Share application money:					
HCG Medi-surge Hospitals Private Limited	-	-	-	-	39.17
HealthCare Global Vijay Oncology Private Limited	-	-	-	-	34.66
Malnad Hospital & Institute of Oncology Private Limited	-	-	-	-	2.06
Total Trade (A)	836.35	798.84	772.81	311.86	289.64
B) Others: (Unquoted) - (At cost)					
Investment in government or trust securities	0.15	0.15	0.15	0.15	0.15
Investment in mutual funds:					
SBI One India Fund - Long term dividend plan					
- Cost of investment (Amount in Rs. Million)	1.05	1.05	1.05	1.00	1.00
- Number of mutual fund units	24,272.75	24,272.75	24,272.75	100,000.00	100,000.00
- Net asset value of mutual fund (Amount in Rs. Million)	1.05	1.05	1.05	1.00	1.00
LIC Mutual Fund Nomura-Short term plan					
- Cost of investment (Amount in Rs. Million)	0.01	0.01	0.01	0.01	0.01
- Number of mutual fund units	941.32	941.32	941.32	941.32	941.32
- Net asset value of mutual fund (Amount in Rs. Million)	0.01	0.01	0.01	0.01	0.01
Total Others (B)	1.21	1.21	1.21	1.16	1.16
Total (A + B)	837.56	800.05	774.02	313.02	290.80

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 11: Standalone Summary Statement of Current Investments, as restated

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
(At lower of cost and fair value)					
Investment in mutual funds (unquoted)					
SBI-SHF-Ultra Short Term fund					
Institutional Plan-Growth					
- Cost of investment (Amount in Rs. Million)	-	-	-	0.86	8.34
- Number of mutual fund units	-	-	-	627.22	833,435.20
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	-	0.88	8.34
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	-	0.86	8.34
IDFC Ultra Short Term Fund					
Growth-(Direct Plan)					
- Cost of investment (Amount in Rs. Million)	-	-	50.00	-	-
- Number of mutual fund units	-	-	3,085,657.86	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	50.25	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	50.00	-	-
SBI Magnum INSTA cash fund					
liquid floater					
- Cost of investment (Amount in Rs. Million)	-	-	553.72	-	-
- Number of mutual fund units	-	-	274,618.10	-	-
- Net asset value of mutual fund (Amount in Rs. Million)	-	-	553.33	-	-
- Recognised at lower of cost and fair value (Amount in Rs. Million)	-	-	553.72	-	-
Total (Amount in Rs. Million)	-	-	603.72	0.86	8.34

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 12: Standalone Summary Statement of Trade Receivables, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:					
- Unsecured, considered good	194.51	164.42	148.87	137.46	67.46
- Doubtful	210.72	202.83	70.93	42.90	22.24
	405.23	367.25	219.80	180.36	89.70
Less: Provision for doubtful trade receivables	(210.72)	(202.83)	(70.93)	(42.90)	(22.24)
	194.51	164.42	148.87	137.46	67.46
Other trade receivables					
- Unsecured, considered good	449.28	352.02	434.12	271.38	209.09
- Doubtful	9.57	8.43	6.00	5.23	-
	458.85	360.45	440.12	276.61	209.09
Less: Provision for doubtful trade receivables	(9.57)	(8.43)	(6.00)	(5.23)	-
	449.28	352.02	434.12	271.38	209.09
Total (A + B)	643.79	516.44	582.99	408.84	276.55

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	0.32	0.32	0.09	0.53	0.15
- HCG Medi-surge Hospitals Private Limited	39.50	26.97	6.93	0.88	-
- HCG TVH Medical Imaging Private Limited	7.18	6.85	6.59	8.16	9.99
- HealthCare Global Vijay Oncology Private Limited	-	2.82	0.05	0.03	0.05
- Malnad Hospital and Institute of Oncology Private Limited	5.51	2.52	2.48	0.89	1.36
- BACC Healthcare Private Limited	0.04				
- HealthCare Diwan Chand Imaging LLP	-	0.82	-	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- JSS Bharath Charitable Trust	5.73	5.26	3.53	1.08	0.30
- Sada Sarada Tumor & Research Institute	39.50	15.43	11.07	13.95	5.22
- HCG Foundation	16.01	17.00	15.55	2.01	0.17

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 13: Standalone Summary Statement of Loans and Advances, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Long-term loans and advances					
(a) Capital advances	23.17	5.98	14.08	7.53	167.45
(b) Security deposits	205.27	169.46	126.78	94.62	91.87
(c) Inter-corporate deposits	22.16	-	-	-	-
(d) Loans and advances to related parties					
- Considered good	57.76	144.76	139.48	115.65	43.53
- Considered doubtful	30.39	30.39	-	-	-
	88.15	175.15	139.48	115.65	43.53
- Less: Provision for other doubtful loans and advances	(30.39)	(30.39)	-	-	-
	57.76	144.76	139.48	115.65	43.53
(e) Prepaid expenses	23.81	19.89	23.54	2.67	-
(f) Advance income tax (Net of provision for tax)	165.13	168.94	128.09	70.48	29.95
(g) Tax paid under protest					
Income Tax	17.91	-	-	-	-
VAT	0.40	-	-	-	-
(h) MAT credit entitlement	33.28	30.52	30.52	29.81	28.81
Total long-term loans and advances (A)	548.89	539.55	462.49	320.76	361.61
II. Short-term loans and advances					
(a) Loans and advances to related parties	-	2.41	2.96	5.44	3.88
(b) Security deposits	-	0.54	0.21	-	-
(c) Loans and advances to employees	6.93	9.58	10.63	5.73	7.80
(d) Prepaid expenses	29.98	18.17	17.37	22.34	24.46
(e) Others:					
- Rental advance	13.77	13.77	7.67	5.19	3.00
- Forward contract receivable account	-	-	-	39.94	-
- Advance to vendors:					
- Considered good	19.58	14.16	18.83	24.32	8.87
- Considered doubtful	24.66	14.83	9.61	7.36	7.36
	44.24	28.99	28.44	31.68	16.23
- Less: Provision for other doubtful loans and advances	(24.66)	(14.83)	(9.61)	(7.36)	(7.36)
	19.58	14.16	18.83	24.32	8.87
Total short-term loans and advances (B)	70.26	58.63	57.67	102.96	48.01

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 13: Standalone Summary Statement of Loans and Advances, as restated

The loans and advances include the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Loans and advances					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-specialty Hospitals Private Limited [net of provision for loans and advances Rs. 30.39 Million (as at 31-Mar-14: Rs. 30.39 Million)]	2.43	21.70	47.26	42.08	34.60
- MIMS HCG Oncology Private Limited	0.78	0.64	0.41	0.38	0.27
- HCG TVH Medical Imaging Private Limited	9.58	9.34	9.24	9.17	8.93
- Malnad Hospital and Institute of Oncology Private Limited	1.11	0.55	0.39	0.30	-
- HealthCare Global Vijay Oncology Private Limited	-	-	-	2.43	0.60
- BACC Healthcare Private Limited	0.11	0.10	-	-	-
- HCG Pinnacle Oncology Private Limited	0.45	0.38	-	-	-
- HCG Medi-surge Hospitals Private Limited	38.62	25.11	15.00	10.00	-
- Healthcare Global (Kenya) Private Limited	1.26	-	-	-	-
- Healthcare Global (Uganda) Private Limited	0.24	0.23	-	-	-
- Healthcare Global (Tanzania) Private Limited	0.71	-	-	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- HCG Foundation	2.47	2.57	2.96	3.01	3.01
Share application money pending for allotment of shares by (to the extent considered under loans and advances)					
Subsidiaries/JC:					
- HealthCare Global Vijay Oncology Private Limited	-	84.49	65.12	51.66	-
- Malnad Hospital and Institute of Oncology Private Limited	-	2.06	2.06	2.06	-
Security deposits (refundable) with					
- Sada Sarada Tumor & Research Institute	3.10	4.00	-	-	-

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 14: Standalone Summary Statement of Other Current and Non-Current Assets, as restated

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Inventories (At lower of cost and net realisable value)					
Stock-in-trade	129.82	107.89	88.76	59.34	46.90
Total	129.82	107.89	88.76	59.34	46.90
II. Cash and Cash Equivalents					
(a) Cash on hand	8.74	6.95	5.40	1.88	3.80
(b) Cheques, drafts on hand	2.16	2.54	2.65	4.31	-
(c) Balances with banks :					
- In current accounts	73.02	92.49	21.24	25.14	31.10
- In EEFC accounts	22.24	14.19	7.16	14.77	0.40
- In deposit accounts	-	-	0.03	92.50	-
- Balances held as margin money or security against borrowings	21.56	31.29	12.32	0.34	3.20
Total	127.72	147.46	48.80	138.94	38.50
III. Other Current Assets					
(a) Unbilled revenue	67.44	57.72	54.26	44.81	31.07
(b) Interest accrued on deposits	12.95	7.58	3.46	0.29	0.62
(c) Receivable from related parties	8.79	41.03	77.17	43.09	-
Total	89.18	106.33	134.89	88.19	31.69
IV. Other Non-Current Assets					
(a) Interest accrued on deposits	8.00	8.10	3.01	0.16	-
(b) In earmarked account in Banks -balance held as margin money	58.92	37.88	42.58	25.70	10.57
Total	66.92	45.98	45.59	25.86	10.57

The above includes the following debts due from promoter/group companies/ related parties as follows:

(Amount in Rs. Million)

Particulars	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Interest receivable on loan					
Subsidiaries/JC:					
- Malnad Hospital and Institute of Oncology Private Limited	0.21	0.10	0.05	0.01	-
- HCG TVH Medical Imaging Private Limited.	3.34	2.22	1.10	0.01	-
- HCG Medi-surge Hospitals Private Limited	9.27	5.28	1.77	0.05	-
- MIMS HCG Oncology Private Limited	0.08	-	-	-	-
- HCG Pinnacle Oncology Private Limited	0.05	-	-	-	-
- HealthCare Global Vijay Oncology Private Limited	-	-	-	0.05	-
Other current assets					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	1.51	1.52	1.47	1.51	-
- HealthCare Global Vijay Oncology Private Limited	-	29.87	29.87	16.62	-
- HCG Medi-surge Hospitals Private Limited	0.56	0.56	42.09	23.88	-
- Malnad Hospital and Institute of Oncology Private Limited	6.72	9.08	2.73	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- Sada Sarada Tumor & Research Institute	-	-	0.89	0.92	-
- B.C.C.H.I Trust	-	-	0.12	0.16	-

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 15: Standalone Summary Statement of Current Liabilities and Provisions, as restated

(Amount in Rs. Million)

Particulars		As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Trade payables						
a) Dues to micro and small enterprises		-	-	-	-	-
b) Dues to others		747.25	616.25	489.18	306.41	324.49
	A	747.25	616.25	489.18	306.41	324.49
II. Other-current liabilities						
a) Current maturities of long-term borrowings		341.64	153.03	215.39	209.51	138.87
b) Interest accrued but not due on borrowings		95.88	76.16	52.70	32.29	8.82
c) Other payables						
- Statutory remittances		38.80	27.88	21.82	13.62	9.95
- Payables on purchase of fixed assets		43.95	147.89	32.18	43.40	49.42
- Payables on purchase of long-term investments		-	-	150.00	-	-
- Advances from customers		82.54	61.72	47.01	38.01	35.97
Total	B	602.81	466.68	519.10	336.83	243.03
III. Provisions						
(a) Provision for employee benefits:						
- Compensated absences		15.89	13.66	11.20	7.82	12.90
- Gratuity		32.32	26.19	20.13	13.35	9.13
Total	C	48.21	39.85	31.33	21.17	22.03
(b) Provision - Others:						
- Provision for premium payable on redemption of debentures		-	-	-	7.50	7.50
Total	D	-	-	-	7.50	7.50
Total provisions (C + D)		48.21	39.85	31.33	28.67	29.53
Total provisions represented by:						
- Long-term provisions		17.18	17.11	28.00	19.23	27.76
- Short-term provisions		31.03	22.74	3.33	9.44	1.77
Total		48.21	39.85	31.33	28.67	29.53

Note: There are no dues to Micro and Small Enterprises as at the Balance Sheet date. The Micro and Small Enterprises have been identified on the basis of information available with the Company and this has been relied upon by the auditors.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 16: Standalone Summary Statement of Key Operational Income and Expenses, as restated

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
I. Revenue from operations					
Income from medical services	2,579.25	2,129.85	1,774.34	1,223.69	964.94
Income from pharmacy	1,603.15	1,348.54	1,129.90	794.65	625.77
Other operating revenues					
- Income from training	4.98	-	-	-	-
- Income from cafeteria	11.12	9.59	5.16	-	-
- Management fees	3.00	3.00	4.78	-	-
Total	4,201.50	3,490.98	2,914.18	2,018.34	1,590.71
II. Expenses					
Purchase of stock-in-trade	1,342.42	1,195.82	1,006.12	706.57	528.07
Total	1,342.42	1,195.82	1,006.12	706.57	528.07
(Increase)/ Decrease in stock-in-trade					
Inventories at the end of the year:					
- Stock-in-trade	129.82	107.89	88.76	59.34	46.90
Total (A)	129.82	107.89	88.76	59.34	46.90
Inventories at the beginning of the year:					
- Stock-in-trade	107.89	88.76	59.34	46.90	25.80
Add: Stock acquired on merger	1.02	-	7.42	-	-
Less: Stock relating to Hospital unit closed in the year considered as exceptional items	(7.69)	-	-	-	-
Total (B)	101.22	88.76	66.76	46.90	25.80
Net (increase) / decrease in stock-in-trade (B - A)	(28.60)	(19.13)	(22.00)	(12.44)	(21.10)
Employee benefits expense					
Salaries and wages	622.98	554.50	414.94	278.18	235.22
Contributions to provident and other funds	31.12	24.60	19.62	15.24	10.33
Expense on employee stock option scheme	11.98	8.89	4.49	5.03	3.98
Staff welfare expenses	23.40	26.29	23.99	16.98	8.98
Total	689.48	614.28	463.04	315.43	258.51
Finance costs					
Interest expense on borrowings	297.69	266.28	236.88	180.48	101.81
Other borrowing cost	17.53	16.11	13.09	27.84	7.36
Total	315.22	282.39	249.97	208.32	109.17

Annexure 16: Standalone Summary Statement of Key Operational Income and Expenses, as restated
II. Expenses contd.,
(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Other expenses					
Medical consultancy charges	780.91	702.96	561.69	345.75	269.58
Legal and professional charges	50.15	28.40	15.41	7.89	11.54
Lab charges	100.90	86.87	49.68	28.84	18.16
Power, fuel and water	112.10	90.83	76.40	51.56	40.76
Rent including lease rentals	91.59	94.18	55.37	36.77	55.63
Repairs and maintenance:					
- Buildings	8.46	4.44	3.75	4.75	3.09
- Machinery	115.21	91.80	75.73	44.36	29.38
- Others	32.97	29.71	19.61	15.98	9.37
Insurance	5.99	5.01	3.89	2.56	2.72
Rates and taxes	11.77	9.50	7.26	3.80	2.26
Communication	14.61	13.03	10.51	6.79	6.76
Travelling and conveyance	45.40	38.83	27.21	16.79	15.07
Printing and stationery	21.92	24.52	17.23	16.81	17.29
House keeping and security	83.51	77.86	44.77	40.83	29.99
Business promotion expenses	118.64	72.64	65.38	30.26	32.51
Payments to auditors:					
- As statutory audit	3.20	2.50	1.28	1.28	1.08
- For other services	-	-	0.25	0.25	0.25
- Other expenses (including service tax)	0.45	0.31	0.19	0.19	-
Loss on fixed assets sold / scrapped / written off	0.68	0.78	3.19	0.03	0.41
Provision for doubtful trade receivables and loans and advances (net) (Refer note below)	18.06	142.69	25.39	25.89	8.17
Exchange fluctuation loss (net)	-	-	0.21	-	1.32
Miscellaneous expenses	17.20	17.84	11.09	7.27	6.92
Total	1,633.72	1,534.70	1,075.49	688.65	562.26

Note: Based on the assessment of recoverability of trade receivables as at 31-Mar-14, additional provision was made during the year then ended for the doubtful trade receivables. Provisions relate to trade receivables outstanding from:

(Amount in Rs. Million)

Financial year	31-Mar-14
2013 - 2014	16.08
2012 - 2013	18.63
2011 - 2012	25.04
2010 - 2011	22.55
2009 - 2010	10.22
2008 - 2009	4.17
Total	96.69

Annexure 16: Standalone Summary Statement of Key Operational Income and Expenses, as restated

III. EXCEPTIONAL ITEMS:

(Amount in Rs. Million)

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Effect of increase / (decrease) in profits					
Net loss relating to Hospital unit closed during the year (Refer Note (i) below)	(42.51)	-	-	-	-
Provision for decline in value of investments (Refer Note (ii) below)	-	(8.39)	-	-	-
Provision for impairment of loans & advance to subsidiary (Refer Note (ii) below)	-	(30.39)	-	-	-
Total	(42.51)	(38.78)	-	-	-

Notes

(i) During the year ended 31-Mar-15, the Company closed its operations in HCG Multispecialty Hospitals - Magadi Raod, Bangalore. The results of this unit including the impairment losses is given below:

(Amount in Rs. Million)

Particulars	31-Mar-15
Expenses	
(a) Changes in inventories of stock-in-trade	7.69
(b) Employee benefits expense	6.16
(c) Finance costs	2.29
(d) Depreciation and amortisation expense	6.75
(e) Other expenses	29.83
Total expenses	52.72
Less: Recoveries	(10.21)
Net loss for the year on closure of Hospital Unit	42.51

(ii) Due to the deterioration of the financial position and financial performance of HealthCare Global Senthil Multi-Specialty Hospital Private Limited, a wholly-owned subsidiary, the following provisions were made during the year ended 31-Mar-14:

- for decline (other than temporary) in value of investments and
- for impairment of loans and advances to the extent carrying value exceeded recoverable amount.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 17: Standalone Summary Statement of Other Income, as restated

(Amount in Rs. Million)

Particulars	Nature	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Other Income, as restated		42.91	34.96	25.34	33.33	10.72
Net profit before tax, as restated		(76.09)	(399.91)	(65.78)	(35.51)	29.21
Percentage		(56.39%)	(8.74%)	(38.52%)	(93.86%)	36.70%
Break-up of Other Income:						
Interest income from deposits with bank	Recurring	7.07	8.09	7.05	3.75	0.85
Interest on income tax refund	Recurring	14.22	1.91	-	-	-
Interest income from unsecured loans given to subsidiaries	Recurring	5.38	4.67	2.86	0.12	-
Interest income from Inter-corporate deposits	Non-recurring	1.53	-	-	-	-
Dividend income from current investments - mutual fund	Non-recurring	-	0.20	-	0.91	2.60
Net gain on sale of current investments - mutual fund	Non-recurring	-	5.41	0.03	0.35	-
Net gain on foreign currency transactions and translation	Non-recurring	4.29	3.76	-	0.52	-
Payables no longer required written-back	Non-recurring	2.32	3.23	2.31	17.72	3.75
Advances received from patients no longer required written-back	Non-recurring	2.60	-	-	-	-
Miscellaneous income	Non-recurring	5.50	7.69	13.09	9.96	3.52
Total		42.91	34.96	25.34	33.33	10.72

Notes

1) All the above income relate to the Company's business activity

2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activities of the Company as determined by the management.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 18: Standalone Summary Statement of Dividend Paid / Proposed by the Company

Particulars	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
No dividend payments during the period					

Annexure 19: Standalone Summary Statement of Accounting Ratios

(Number / Amount Rs. in Million, Except Per Share Data)

Particulars		For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Basic and Diluted Earnings Per Share (Rs.)	A					
Basic Earnings Per Share (Basic EPS)						
Net profit/loss after tax, as restated, attributable to equity shareholders		(23.66)	(394.98)	(71.58)	(40.02)	34.40
Weighted average number of Equity Shares outstanding		69.95	68.68	60.36	55.91	52.83
Basic EPS in Rs.		(0.34)	(5.75)	(1.19)	(0.72)	0.65
Face value in Rs.		10.00	10.00	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)						
Net profit/loss after tax, as restated, attributable to equity shareholders		(23.66)	(394.98)	(71.58)	(40.02)	34.40
Weighted average number of Shares used for calculating Basic EPS		69.95	68.68	60.36	55.91	52.83
Add: Effect of ESOPs and share warrants which are dilutive		-	-	-	-	0.83
Weighted average number of shares considered for calculating Diluted EPS		69.95	68.68	60.36	55.91	53.66
Diluted EPS in Rs.		(0.34)	(5.75)	(1.19)	(0.72)	0.64
Face value in Rs.		10.00	10.00	10.00	10.00	10.00
Net Asset Value Per Equity Share (Rs.)	B	As at				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net worth, as restated		2,716.64	2,607.43	2,843.70	2,078.79	1,680.66
Number of equity shares outstanding		69.98	68.25	66.89	59.27	53.30
Add: Impact of shares pending allotment		0.85	0.58	0.58	-	0.10
Add: Impact of outstanding ESOP		5.30	1.80	1.80	1.80	1.80
Add: Impact of outstanding share warrants		0.95	2.11	1.21	1.21	-
Number of equity shares outstanding (including potential equity shares)		77.08	72.74	70.48	62.28	55.20
Net Assets Value per equity share (Rs.)		35.24	35.85	40.35	33.38	30.45
Return on Net worth	C	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Net Profit after tax, as restated		(23.66)	(394.98)	(71.58)	(40.02)	34.40
Net worth, as restated		2,716.64	2,607.43	2,843.70	2,078.79	1,680.66
Return on net worth		-0.87%	-15.15%	-2.52%	-1.93%	2.05%

Note: The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(a) The weighted average number of equity shares as at 31-Mar-14 and 31-Mar-13 include 579,948 equity shares to be issued to the minority shareholders of HCG Medi-Surge Hospitals Private Limited pursuant to merger of Multispecialty unit of this entity with the Company from the appointed date of 1-Apr-2012. Similarly, the weighted average number of equity shares as at 31-Mar-15 include 846,760 equity shares to be issued to the minority shareholders of HCG Vijay Oncology Private Limited pursuant to merger of this entity with the Company from the appointed date of 1-Apr-2014.

(b) The effect of ESOP and share warrants outstanding is anti-dilutive (except for the year ending 31-Mar-2011) and hence ignored for the purpose of computing Diluted EPS. Further, the effect of convertible debentures (until they were converted into equity shares at two tranches, on 12-Nov-2012 and 23-Mar-2013) was anti-dilutive for the years ending March 2013, 2012 and 2011 and hence are not considered for computing Diluted EPS

(ii) Net Assets Value (NAV)

$$\frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year / period}}$$

(iv) Net worth for ratios mentioned above is as arrived as mentioned below:

Net worth, as restated = Equity share capital + Shares pending allotment + Share application money pending allotment + Reserves and surplus (including Capital Reserve, Securities Premium, Share options outstanding account and Surplus / (Deficit) in Standalone Statement of Profit and Loss).

All the above are based on Standalone Financial Information, as restated.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 20: Standalone Statement of Capitalisation, as restated

Particulars	Pre-issue As at 31-Mar-15	Post-Issue*
Debt		
Short-term borrowings	292.70	
Long-term borrowings	2,474.13	
Add: Current maturities of long term borrowings	341.64	
Total debts	3,108.47	
Shareholders' funds		
Share capital	699.84	
Shares pending allotment **	8.47	
Reserves as restated (excluding revaluation reserve)	2,008.33	
Total shareholders' funds	2,716.64	
Long term debt/equity	1.04	

* Shareholders fund post issue can be calculated only on the conclusion of the book building process.

** Shares pending allotment as at 31-Mar-15 pursuant to merger of HealthCare Global Vijay Oncology Private Limited has been considered in arriving at shareholders' funds.

Notes

1. Short term borrowings represent debts which are due within 12 months from 31-Mar-2015.
2. Long term debts include current portion of long-term borrowings repayable over the next twelve months.

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 21: Standalone Summary Statement of Transactions and Balances with Related Parties , as restated

List of related parties:

Description of relationship	Names of related parties
Subsidiaries	Malnad Hospital and Institute of Oncology Private Limited HealthCare Global Senthil-Multi Specialty Hospital Private Limited HCG Medi-surge Hospitals Private Limited MIMS HCG Oncology Private Limited HCG TVH Medical Imaging Private Limited BACC HealthCare Private Limited DKR HealthCare Private Limited HCG Pinnacle Oncology Private Limited Healthcare Global (Uganda) Private Limited Healthcare Global (Tanzania) Private Limited Healthcare Global (Kenya) Private Limited HCG Regency Oncology Private Limited
Joint Control (JC)	HealthCare Diwan Chand Imaging LLP APEX HCG Oncology Hospitals LLP
Key Management Personnel (KMP)	Dr. B S Ajai Kumar
Relatives of KMP	Ms. Anjali Ajai Kumar (Daughter of Dr B S Ajai Kumar)
Entities in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust Sada Sarada Tumor & Research Institute B.C.C.H.I Trust HCG Foundation Gutti Malnad LLP Health Care Process Solutions (India) Private Limited

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 21: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

(Amount in Rs. Million)

Transactions with related parties	For the year ended				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Sale of stock					
Subsidiaries/JC:					
- Malnad Hospital and Institute of Oncology Private Limited	5.43	3.51	3.61	3.45	3.95
- HCG Medi-surge Hospitals Private Limited	97.51	62.68	48.71	14.68	6.48
- HealthCare Global Vijay Oncology Private Limited	-	2.77	-	-	0.39
- HCG TVH Medical Imaging Private Limited	10.82	6.00	10.58	-	-
- HealthCare Diwan Chand Imaging LLP	0.04	0.82	-	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- Sada Sarada Tumor & Research Institute	52.30	27.67	28.16	30.86	27.13
Medical service rendered					
Subsidiaries/JC:					
- HCG Medi-surge Hospitals Private Limited	4.19	0.86	-	-	-
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	-	0.25	0.37	0.58	0.77
- BACC Healthcare Private Limited	0.30				
- Malnad Hospitals and Institute of Oncology Private Limited	0.51	0.48	0.64	0.55	0.56
- HealthCare Global Vijay Oncology Private Limited	-	-	0.02	0.03	-
- HCG TVH Medical Imaging Private Limited	0.13	0.24	-	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- JSS Bharath Charitable Trust	13.43	14.27	1.23	1.87	1.86
- Sada Sarada Tumor & Research Institute	4.50	-	-	-	-
- HCG Foundation	3.15	8.27	14.18	1.93	0.03
Rent charges					
Entities in which KMP / relatives of KMP have significant influence:					
- Sada Sharada Tumor & Research Institute	0.47	0.47	0.49	0.45	-
Purchase of fixed asset from					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	18.52	-	-	-	-
Diagnostic charges					
Subsidiaries/JC:					
- HealthCare Diwan Chand Imaging LLP	2.91	2.89	2.79	2.30	1.92
- HCG TVH Medical Imaging Private Limited	-	-	0.30	-	-
Consultancy charges					
Subsidiaries/JC:					
- BACC Healthcare Private Limited	0.27	0.17	-	-	-
Interest income received					
Subsidiaries/JC:					
- Malnad Hospital and Institute of Oncology Private Limited	0.12	0.05	0.05	0.01	-
- HCG TVH Medical Imaging Private Limited	1.14	1.11	1.10	0.01	-
- HealthCare Global Vijay Oncology Private Limited	-	-	-	0.05	-
- MIMS HCG Oncology Private Limited	0.08	-	-	-	-
- HCG Medi-surge Hospitals Private Limited	4.00	3.51	1.71	0.05	-
- HCG Pinnacle Oncology Private Limited	0.05	-	-	-	-
Share of corporate expenses					
Subsidiaries/JC:					
- HealthCare Global Vijay Oncology Private Limited	-	-	13.25	16.62	-
- HCG Medi-surge Hospitals Private Limited	-	-	18.24	23.07	-
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	-	-	-	1.51	-

Annexure 21: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

Loans / Advances given					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	-	5.30	6.27	8.42	7.62
- HCG TVH Medical Imaging Private Limited	0.24	6.08	2.15	0.25	0.07
- MIMS HCG Oncology Private Limited	0.13	0.24	0.03	0.11	0.01
- HCG Medi-surge Hospitals Private Limited	27.66	46.05	11.00	10.00	-
- Malnad Hospital and Institute of Oncology Private Limited	0.83	0.80	0.09	0.30	-
- BACC Healthcare Private Limited	0.01	0.10	-	-	-
- HCG Pinnacle Oncology Private Limited	0.07	0.38	-	-	-
- Healthcare Global (Kenya) Private Limited	1.26	-	-	-	-
- Healthcare Global (Uganda) Private Limited	-	0.23	-	-	-
- Healthcare Global (Tanzania) Private Limited	0.71	-	-	-	-
- HealthCare Global Vijay Oncology Private Limited	-	-	-	12.15	8.86
Loans and advances received					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	19.14	0.47	1.09	0.94	1.85
- Malnad Hospital and Institute of Oncology Private Limited	0.27	0.65	-	-	-
- HCG Medi-surge Hospitals Private Limited	14.15	35.94	6.00	-	-
- HCG TVH Medical Imaging Private Limited	-	5.98	2.09	-	-
- HealthCare Global Vijay Oncology Private Limited	-	-	2.43	10.31	8.31
Entities in which KMP / relatives of KMP have significant influence:					
- HCG Foundation	0.10	0.39	0.05	-	-
Security deposit paid					
Entities in which KMP / relatives of KMP have significant influence:					
- Sada Sarada Tumor & Research Institute	-	4.00	-	-	-
Security deposit refunded					
Entities in which KMP / relatives of KMP have significant influence:					
- Sada Sarada Tumor & Research Institute	0.90	-	-	-	-
Share application money paid					
Subsidiaries/JC:					
- HealthCare Global Vijay Oncology Private Limited	-	19.37	13.46	17.00	6.97
Investment made during the year in					
Subsidiaries/JC:					
- HealthCare Diwan Chand Imaging LLP	3.88	5.68	5.26	3.45	6.74
- MIMS HCG Oncology Private Limited	-	-	-	-	0.25
- BACC Healthcare Private Limited	-	-	601.23	-	-
- HCG Pinnacle Oncology Private Limited	-	0.50	-	-	-
- APEX HCG Oncology Hospitals LLP	21.53	6.25	-	-	-
- Healthcare Global (Uganda) Private Limited	-	3.19	-	-	-
- HCG Medi-surge Hospitals Private Limited	-	-	-	55.49	-
- HCG Regency Oncology Private Limited	30.40	18.80	1.00	-	-
- Healthcare Global (Kenya) Private Limited	3.71	-	-	-	-
- Healthcare Global (Tanzania) Private Limited	0.06	-	-	-	-
Provision made for loans and advances receivable from					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	-	30.39	-	-	-
Provision made for Investments in					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	-	8.39	-	-	-
Proceeds from allotment of shares to					
- Dr. B S Ajai Kumar	100.00	-	21.17	-	50.00
Remuneration					
- Dr. B S Ajai Kumar	26.30	12.00	11.94	9.00	9.00
- Ms. Anjali Ajai Kumar	-	1.22	0.39	0.41	0.14

Annexure 21: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

(Amount in Rs. Million)

Balances outstanding with related parties	As at				
	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Trade receivables					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	0.32	0.32	0.09	0.53	0.15
- HCG Medi-surge Hospitals Private Limited	39.50	26.97	6.93	0.88	-
- HCG TVH Medical Imaging Private Limited	7.18	6.85	6.59	8.16	9.99
- HealthCare Global Vijay Oncology Private Limited	-	2.82	0.05	0.03	0.05
- Malnad Hospital and Institute of Oncology Private Limited	5.51	2.52	2.48	0.89	1.36
- BACC Healthcare Private Limited	0.04				
- HealthCare Diwan Chand Imaging LLP	-	0.82	-	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- JSS Bharath Charitable Trust	5.73	5.26	3.53	1.08	0.30
- Sada Sarada Tumor & Research Institute	39.50	15.43	11.07	13.95	5.22
- HCG Foundation	16.01	17.00	15.55	2.01	0.17
Interest receivable on loan					
Subsidiaries/JC:					
- Malnad Hospital and Institute of Oncology Private Limited	0.21	0.10	0.05	0.01	-
- HCG TVH Medical Imaging Private Limited.	3.34	2.22	1.10	0.01	-
- HCG Medi-surge Hospitals Private Limited	9.27	5.28	1.77	0.05	-
- MIMS HCG Oncology Private Limited	0.08	-	-	-	-
- HCG Pinnacle Oncology Private Limited	0.05	-	-	-	-
- HealthCare Global Vijay Oncology Private Limited	-	-	-	0.05	-
Other current assets					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	1.51	1.52	1.47	1.51	-
- HealthCare Global Vijay Oncology Private Limited	-	29.87	29.87	16.62	-
- HCG Medi-surge Hospitals Private Limited	0.56	0.56	42.09	23.88	-
- Malnad Hospital and Institute of Oncology Private Limited	6.72	9.08	2.73	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- Sada Sarada Tumor & Research Institute	-	-	0.89	0.92	-
- B.C.C.H.I Trust	-	-	0.12	0.16	-
Loans and advances					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-specialty Hospitals Private Limited [net of provision for loans and advances Rs. 30.39 Million (as at 31-Mar-14: Rs. 30.39 Million)]	2.43	21.70	47.26	42.08	34.60
- MIMS HCG Oncology Private Limited	0.78	0.64	0.41	0.38	0.27
- HCG TVH Medical Imaging Private Limited	9.58	9.34	9.24	9.17	8.93
- Malnad Hospital and Institute of Oncology Private Limited	1.11	0.55	0.39	0.30	-
- HealthCare Global Vijay Oncology Private Limited	-	-	-	2.43	0.60
- BACC Healthcare Private Limited	0.11	0.10	-	-	-
- HCG Pinnacle Oncology Private Limited	0.45	0.38	-	-	-
- HCG Medi-surge Hospitals Private Limited	38.62	25.11	15.00	10.00	-
- Healthcare Global (Kenya) Private Limited	1.26				
- Healthcare Global (Uganda) Private Limited	0.24	0.23	-	-	-
- Healthcare Global (Tanzania) Private Limited	0.71	-	-	-	-
Entities in which KMP / relatives of KMP have significant influence:					
- HCG Foundation	2.47	2.57	2.96	3.01	3.01

Annexure 21: Standalone Summary Statement of Transactions and Balances with Related Parties, as restated

Share application money pending for allotment of shares by (to the extent considered under loans and advances)					
Subsidiaries/JC:					
- HealthCare Global Vijay Oncology Private Limited	-	84.49	65.12	51.66	-
- Malnad Hospital and Institute of Oncology Private Limited	-	2.06	2.06	2.06	-
Security deposits (refundable) with					
- Sada Sarada Tumor & Research Institute	3.10	4.00			
Trade Payables					
Subsidiaries/JC:					
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	0.04	1.09	-	-	-
- BACC Healthcare Private Limited	0.40	0.11	-	-	-
- HealthCare Diwan Chand Imaging LLP	0.37	0.84	0.20	0.46	0.39
- Malnad Hospital and Institute of Oncology Private Limited	-	-	-	-	-
- HCG Medi-surge Hospitals Private Limited	-	-	-	-	12.30
- HCG TVH Medical Imaging Private Limited	-	-	0.30	-	-
Corporate guarantees given on behalf of:					
Subsidiaries/JC:					
Healthcare Global Senthil Multi Specialty Hospitals Private Limited	-	-	4.61	5.81	10.61
HCG TVH Medical Imaging Private Limited	-	1.92	33.41	42.68	59.63
HCG Medi-surge Hospitals Private Limited	147.56	171.35	262.76	230.13	100.23
HCG Vijay Oncology Private Limited	-	64.02	114.30	64.39	65.92
- BACC Healthcare Private Limited	33.70	-	-	-	-
HealthCare Diwan Chand Imaging LLP	-	-	12.81	18.68	24.21

HealthCare Global Enterprises Limited
Standalone Financial Information, as restated

Annexure 22: Standalone Statement of Tax Shelters, as restated

(Amount in Rs. Million)

Particulars		For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Profit before current and deferred taxes as restated	(A)	(76.09)	(399.91)	(65.78)	(35.51)	29.21
Weighted average tax rate (%)	(B)	33.99%	33.99%	32.45%	32.45%	32.45%
Tax Expense at weighted average rate	(C)	(25.86)	(135.93)	(21.35)	(11.52)	9.48
Adjustments						
Permanent Differences						
Expenses disallowed		12.07	62.26	6.32	5.14	4.27
Dividend/income exempt under the Income Tax Act		-	(0.20)	-	(0.91)	(2.60)
Profit on sale of Investments/asset		6.51	0.78	0.49	0.03	0.41
Total	(D)	18.58	62.84	6.81	4.26	2.08
Temporary Differences						
Difference between book depreciation and tax depreciation		(74.14)	(150.55)	(155.04)	(133.39)	(160.06)
Gratuity		4.97	5.80	5.53	4.22	2.43
Leave Encashment		(1.12)	3.02	4.15	(5.91)	2.14
Bonus		1.21	5.94	0.85	1.43	2.82
Provision for bad and doubtful debts/advances		18.91	181.47	24.90	25.89	8.17
Difference between expenses on finance lease recognised in the accounts and rent payments considered in tax		18.75	18.90	18.48	19.77	3.98
Total	(E)	(31.42)	64.58	(101.13)	(87.99)	(140.52)
Net Adjustment (D+E)	(F)	(12.84)	127.42	(94.32)	(83.73)	(138.44)
Tax Saving thereon	(G)	(4.36)	43.31	(30.61)	(27.17)	(44.92)
Total tax saving (C+G)	(H)	(30.23)	(92.62)	(51.95)	(38.69)	(35.45)
Tax as per provisions of MAT (including Surcharge, Education Cess & Secondary & Higher Education Cess)	(I)	-	-	-	1.00	9.12
Current Tax provision for the year - Amount higher of (H) or (I)	(J)	-	-	-	1.00	9.12
Increase/(decrease) in tax provision on account of:						
Short/(excess) provision of Tax		-	-	-	-	0.52
Tax impact on restatement		-	-	-	-	-
Current Tax provision for the year as per restated accounts	(K)	-	-	-	1.00	9.64
Provision for current domestic tax as per the books of accounts						
MAT Credit Entitlement		-	-	-	(1.00)	(9.64)
Current Tax (MAT)		-	-	-	1.00	9.64
Total tax expenses as per the books of accounts (derived)		-	-	-	1.00	9.64
Total tax expenses as per Statement of Profit and Loss		-	-	-	1.00	9.64

FINANCIAL INDEBTEDNESS

As on June 30, 2015, the aggregate outstanding borrowings of our Company on a consolidated basis are as follows:

(₹ In Millions)		
Sl. No.	Nature of Borrowing	Amount
Company		
1.	Secured Borrowings	2,079.34
2.	Unsecured Borrowings	403.05
Subsidiaries and LLPs		
1.	Secured Borrowings	363.33
2.	Unsecured Borrowings	21.27

The details of indebtedness of our Company as at June 30, 2015, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

I. Secured Loans

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
Loans availed by our Company								
1.	Axis Bank Limited	Term Loan Agreement dated February 28, 2012 Modification in Sanction terms dated December 16, 2014 Modification in Sanction terms dated February 28, 2012 Amendment/Modification in sanction terms dated March 21, 2012 Ancillary security documents*	Cash Credit/WCDL: 145.00 Capex/Letter of Credit: 100.00 Term Loan (sub limit of Capex LC): 80.00 Guarantee Limit: 3.80 Guarantee Limit (sub limit of term loan):	Cash Credit/WCDL: Nil Capex/Letter of Credit: USD 0.90 Term Loan: Nil	Cash Credit/WCDL: Base rate plus 2.50% per annum Term Loan: Base rate plus 2.75% per annum Interest on the term loan is required to be debited to the loan account on a 365 days a year basis A penal interest	Cash Credit/WCDL: To meet working capital requirements Term Loan: To meet working capital/capital expenditure requirements Loan Equivalent Risk: Covering foreign exchange exposure towards import payments	Cash Credit/WCDL: Running account repayable on demand Term Loan: The term loan facility is required to be repaid in 20 unequal quarterly instalments starting 3 years from each disbursement as set out in the term loan agreement The bank may charge a prepayment penalty of 1.00% of the amount being prepaid.	Cash Credit/WCDL and Term Loan: The facilities are secured by: (i) First <i>pari passu</i> charge over the current assets of the Company excluding current assets of HCG BNH Hospital (ii) Second <i>pari passu</i> charge over the movable fixed assets of the Company excluding those assets which have been charged to other lenders against working capital/term loans availed and equipment

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			2.80 Loan Equivalent Risk: 20.00		of 2.00% shall be charged on the overdue interest for defaults in payment Guarantee Limit: BPLR plus 5.50% per annum		However, no prepayment penalty shall be payable if (i) the prepayment is affected at the instance of the lender, (ii) if the prepayment is made out of project cash accruals with one month's notice, or (iii) if the prepayment is made within 60 days of the interest reset dates with a notice period of 30 days	financiers and assets of HCG BNH Hospital (iii) Personal guarantee from Dr. B. S. Ajai Kumar (iv) Comfort letters of Subsidiaries in which our Company holds 90% or more of the shareholding (v) Second <i>pari passu</i> equitable mortgage over the land and building situated at New No. 7, Old No. 6, Sampangiramanagar, and New No. 7/1, P Kalingarao Rao Road, Bengaluru measuring 18,910 square feet and 16,961 square feet respectively and Property No. 5, 2nd Cross, Srinivas Colony, Bengaluru (vi) The working capital demand loan is secured for ₹145.00 million and the letter of credit facility is secured for ₹250.00 million The bank is entitled to call upon our Company to furnish additional/alternate security to the bank in the event of any substantial deterioration in the

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
								value of security Guarantee Limit: The guarantee limit has been secured by a counter indemnity provided by HCG Vijay Loan Equivalent Risk: Unsecured
2.	HDFC Bank Limited	Sanction Letter dated August 1, 2014 Ancilliary security documents*	Working Capital Demand Loan: 75.00	Nil	Base rate plus 2.25% per annum A penal interest of 4.00% per annum may be charged for all overdues/delays in any monies payable	Overdraft/Working capital purposes	Repayable on demand. Tenor of 12 months Unpaid interest will be compounded monthly	The working capital demand loan is secured by the following: (i) <i>Pari passu</i> charge on current assets of the Company. Our Company has hypothecated all stock in trade, both present and future, all book debts, outstanding monies receivable, claims and bills (ii) Second charge on land and building of HCG Tower situated at Municipal no. 7 and 8 (iii) General lien on all stocks, shares, securities, property and book debts belonging to our Company and held by the bank
3.	ICICI Bank Limited	Credit Arrangement Letter dated November	Cash Credit: 100.00	Nil	Cash Credit: I-Base plus spread of 2.00% per	To meet working capital requirements	Cash Credit: To be repaid on demand.	The Facilities are secured by: (i) First <i>pari passu</i> charge on

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
	For material covenants, see note 3	12, 2014 Corporate Rupee Loan Facility Agreement dated January 4, 2012 Facility Agreement dated January 4, 2012 Ancilliary security documents*	Working Capital Demand Loan (sub limit of Cash Credit facility): 100.00 FCNR (sub limit of Cash Credit facility): 100.00		annum Working Capital Demand Loan: WCDL (Sub limit of cash credit): 1-Base plus spread of 1.60% per annum Interest shall accrue from day to day and shall be computed on the basis of 365 days a year and the number of days elapsed Default interest ranging between 1% and 2% may be charged for various kinds of defaults as mentioned in the sanction letter		Working Capital Demand Loan: Working capital demand loan may be prepaid by paying a prepayment penalty as stipulated by the bank FCNR: Principal amount of each tranche is to be repaid as bullet payment on the maturity date or in instalments as agreed upon but within 180 days from the expiry of the validity period of the facility. FCNR may be prepaid without paying any prepayment penalty	all current assets of our Company excluding current assets of HCG BNH Hospital and multispeciality unit of HCG Medi-Surge which was demerged (ii) Second <i>pari passu</i> charge on present and future fixed assets of our Company excluding assets charged/to be charged on first ranking basis to new term lenders
4.	Siemens Financial Services Private Limited For material covenants, see note 4	Loan Agreement dated July 27, 2012 Hypothecation Agreement dated July 27, 2012	1.17	0.59	13.50% per annum A penal interest of 3.00% may be charged	Financing the purchase of medical equipment, specifically the Siemens Multimobil 5C for SMH Curie Cancer Centre at Shanti Mukund Hospital	To be repaid in 60 equal monthly instalments commencing 30 days from the date of disbursement being July 27, 2012. Tenor of 60 months Our Company may	The loan is secured by granting the lender exclusive charge by way of hypothecation over the Siemens Multimobil 5C

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
							prepay the loan by paying a prepayment fees of 4.00% on the prepaid amount. Partial prepayment of the loan is not permitted	
5.	SREI Equipment Finance Private Limited For material covenants, see note 5	Loan-cum-Hypothecation Agreement dated January 7, 2013 Demand Promissory Note dated January 7, 2013	7.27	5.04	14.05% per annum	Financing the purchase of medical equipment, specifically the GE Carbon – II Target	To be repaid in 72 equal monthly instalments of ₹1.5 million each Our Company may prepay the loan in full by paying a prepayment premium of 2.00% over the value of the instalments prepaid	The loan is secured by granting the lender exclusive charge by way of hypothecation over the GE Carbon – II Target
6.	SREI Equipment Finance Private Limited For material covenants, see note 5	Loan-cum-Hypothecation Agreement dated August 3, 2012 Demand Promissory Note dated August 3, 2012	11.00	6.07	9.22% per annum	Financing the purchase of medical equipment, specifically two CT Scan (Gold Seal) machines	To be repaid in 56 equal monthly instalments of ₹2.5 million each over a period of 60 months	The loan is secured by granting the lender exclusive charge by way of hypothecation over the two CT Scan (Gold Seal) machines
7.	SREI Equipment Finance Private Limited For material covenants,	Loan-cum-Hypothecation Agreement dated December 18, 2012 Demand Promissory Note dated December 18, 2012	48.12	48.80	4.64% per annum	Financing the purchase of medical equipment, specifically the GE Cathlab with accessories	To be repaid in 51 monthly instalments as set out under the agreement over a period of 85 months	The loan is secured by granting the lender exclusive charge by way of hypothecation over the GE Cathlab with accessories

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
	see note 5							
8.	SREI Equipment Finance Private Limited For material covenants, see note 5	Loan Agreement dated March 15, 2010 availed by BMORCL. The rights and liabilities under this agreement were transferred to our Company post our merger with BMORCL. Deed of Hypothecation dated October 4, 2010	166.86	38.07	8.27% per annum	Financing the purchase of medical equipment specifically MRI and PET CT	To be repaid in 72 monthly unequal instalments	The loan is secured by granting the lender exclusive charge by way of hypothecation over the PET CT and MRI 3 TESLA
9.	Yes Bank Limited For material covenants, see note 6	Facility Letter dated March 31, 2015 Facility Letter dated February 18, 2015 Facility Letter dated April 26, 2012 Facility Letter dated February 25, 2013 Facility Letter dated March 31, 2014 Facility Letter dated July 24, 2014 Facility Letter dated August 13, 2014 Facility Letter dated	Term Loan: Facility 1: 90.00 Facility 2: 1,060.00, Facility 3: 200.00, Facility 4: 120.00, Facility 5: 250.00 Facility 6: 200.00 Facility 7: 200.00 FCNR (sub limit of term loan facility 1): 90.00	Term Loan: 1,437.06 Cash Credit: 211.18 Letter of Credit: USD 3.42	Term Loan: <i>Facility 1</i> – Base rate plus 1.00% per annum <i>Facility 2</i> – Base rate plus 1.00% per annum <i>Facility 3</i> – Base rate plus 1.00% per annum <i>Facility 4</i> – Base rate plus 1.00% per annum <i>Facility 5</i> – Base rate plus 1.00% per annum <i>Facility 6</i> – Base	Term Loan: <i>Facility 1</i> - to meet expenditures towards Healthcare Global Nanavati Hospital Cancer Care Centre <i>Facility 2</i> - refinancing loans, procurement of medical equipment, refurbishment of hospitals and long term working capital requirements and reimbursements of costs incurred <i>Facility 3</i> – to meet capex expenditure towards medical expenditure and other pre-operative expenses	Term Loan: <i>Facility 1</i> - to be repaid in 84 equal monthly instalments after a moratorium of 12 months from the date of first disbursement Tenor of 72 months <i>Facility 2</i> - to be repaid in 36 structured quarterly instalments as set out in the facility letter after a moratorium up to March 2014 Door to door tenor up to March 2023	Term Loan Facility 1 and FCNR (sub limit of term loan facility 1): The facilities have been secured by: (i) Second <i>pari passu</i> charge on immovable and movable fixed assets (present and future) of our Company (ii) Exclusive charge on all current assets and all receivables (present and future) and movable fixed assets (present and future) of HCG Balabhai Nanavati Hospital Cancer Care Centre (iii) Undertaking from our Company that in case of an event of default, our

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
		January 6, 2015 Loan Agreement dated June 5, 2015 Loan Agreements dated February 28, 2013 Loan Agreements dated May 14, 2014 Loan Agreements dated May 4, 2012 Agreement for Cash Credit dated May 4, 2012 Supplemental Cash Credit Agreement dated February 28, 2013 Ancillary security documents*	(sub limit of term loan facility 2): 1,060.00 (sub limit of term loan facility 3): 200.00 (sub limit of term loan 5): 250.00 (sub limit of term loan 6): 200.00 Cash Credit: 550.00 Letter of Credit: (sub limit of term loan facility 3) 400.00 (two separate sub limits of 200.00 each) Letter of Credit: (sub limit of term loan facility 5) 500.00 (two separate sub limits of		rate plus 1.00% per annum <i>Facility 7 – Base Rate plus 1.00% per annum</i> Cash Credit: Base rate plus 1.00% per annum. Set up fee to be paid at the time of acceptance of facility letters Letter of Credit (sub limit of term loan facility 3): <i>Letter of Credit (Sight) – Commission of 0.75% per annum</i> <i>Letter of Credit (Usance) – 0.75% per annum</i> Letter of Credit (sub limit of term loan facility 5): <i>Letter of Credit (Sight) – Commission of 0.75% per annum</i> <i>Letter of Credit (Usance) – 0.75% per annum</i>	<i>Facility 4 – to meet capex requirements and expenditure towards medical equipments and other pre-operative expenses and for refinance of capex incurred</i> <i>Facility 5 – to meet capex requirements and expenditure towards medical equipments</i> <i>Facility 6 – to meet capex requirements and expenditure towards medical equipments and refinance of capex incurred</i> <i>Facility 7 – to meet capex requirements expenditure towards medical equipments</i> FCNR facilities: Refinancing term loan respective term loan facilities Cash Credit: Financing working capital requirements and to refinance the cash credit facilities	<i>Facility 3 – to be repaid in 28 structured quarterly instalments as set out in the facility letter after a moratorium up to three years from utilisation of the letter of credit</i> Door to door tenor of 10 years <i>Facility 4 – to be repaid in quarterly structured instalments as set out in the facility letter</i> Door to door tenor of 60 months from date of first disbursement <i>Facility 5 – to be repaid in quarterly structured instalments as set out in the facility letter</i> Door to door tenor of seven years <i>Facility 6 – to be repaid in quarterly structured instalments as set out in the facility letter</i> Door to door tenor of	Company will assign rights to conduct operations in HCG BNH Hospital in favour of the bank within 45 days Term Loan Facilities 2, 3 and corresponding FCNRs: The facilities have been secured by: (i) First charge on all immovable and movable fixed assets of our Company not charged exclusively to any other lender (ii) Second <i>pari passu</i> charge on all current assets and all receivables (present and future) and movable fixed assets (present and future) of our Company (iii) Exclusive charge on all equipment purchased from these facilities (iv) DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created Term loan facility 4, and stand by letter of credit (sub limit of term loan 4): The facilities have been secured by:

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			250.00 each) Letter of Credit: (sub limit of term loan facility 7) 400.00 (two separate sub limits of 200.00 each) Standby Letter of Credit: (sub limit of term loan facility 4) 120.00 LOU for Buyers' Credit (sub limit of term loan facility 3): 200.00 LOU for Buyers' Credit (sub limit of term loan facility 5): 250.00 LOU for Buyers' Credit (sub limit of term loan facility 7): 450.00		Standby Letter of Credit (sub limit of term loan 4): Commission of 1.00% per annum LOU for Buyers' Credit (sub limit of term loans 3, 5 and 7): Commission of 1.00% per annum Performance Bank Guarantee (sub limit of term loan facility 3): Commission of 1.00% per annum Performance Bank Guarantee (sub limit of term loan facility 7): Commission of 0.50% per annum Financial Bank Guarantees (sub limit of term loans 3 and 7): Commission of 1.15% per annum (term loan 3) Commission of	availed from ICICI Bank, Axis Bank and HDFC Bank Letter of Credit (sub limit of term loan facility 3): <i>Letter of Credit (Sight)</i> – purchase of consumables and medical stock <i>Letter of Credit (Usance)</i> – purchase of medical equipment Letter of Credit (sub limit of term loan facility 5): <i>Letter of Credit (Sight)</i> – purchase of medical equipment Tenor 12 months <i>Letter of Credit (Usance)</i> – purchase of medical equipment Tenor of 36 months Letter of Credit (sub limit of term loan facility 7): <i>Letter of Credit (Sight)</i> – purchase of consumables and medical stock Tenor 12 months	10 years including a 1 year moratorium <i>Facility 7</i> – to be repaid in quarterly structured instalments as set out in the facility letter Door to door of 10 years The term loans may be paid without payment of any prepayment penalty. However prepayment of the term loans out of borrowed proceeds may attract a prepayment penalty of 1.00% at the discretion of the bank FCNR: to be repaid in the same manner as the term loans as sub limits of which the facility has been granted All usance letters of credit have a validity period of 36 months Cash Credit: To be repaid on demand Tenor of 12 months	(i) Exclusive charge on all equipment purchased from these facilities (ii) Second <i>pari passu</i> charge on immovable and movable fixed assets (present and future) of our Company (i) DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created Term loan facility 5, 6, corresponding FCNR, letter of credit facilities, LOU for buyers credit (sub limit of term loan 5): The facilities have been secured by: (i) Exclusive charge on all equipment purchased from these facilities (ii) Exclusive charge on all current assets and all receivables (present and future) and movable fixed assets (present and future) of HCG Balabhai Nanavati Hospital Cancer Care Centre (iii) Second <i>pari passu</i> charge

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			Performance Bank Guarantee(sub limit of term loan facility 3): 200.00 Performance Bank Guarantee(sub limit of term loan facility 7): 200.00 Financial Bank Guarantee(sub limit of term loan facility 3): 200.00 Financial Bank Guarantee(sub limit of term loan facility 7): 200.00		0.50% per annum (term loan 7)	<i>Letter of Credit (Usance)</i> – purchase of medical equipment Tenor of 36 months Standby Letter of Credit (sub limit of term loan 4): Procurement of medical equipment overseas by our African Subsidiaries LOU for Buyers' Credit (sub limit of term loans 3, 5 and 7): Purchase of medical equipment Performance Bank Guarantees (sub limits of term loans 3 and 7): To issue performance bank guarantees in favour of government agencies, PSUs and other corporates Financial Bank Guarantees (sub limit of term loans 3 and 7): To issue financial bank guarantees in favour of government agencies, PSUs and other corporates		on immovable and movable fixed assets (present and future) of our Company (iv) DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created Term loan facility 7, corresponding letters of credit, LOU for Buyers Credit, Performance Bank Guarantee, Financial Bank Guarantee: The facility has been secured by: (i) Exclusive charge on all equipment purchased from these facilities (ii) DSRA of one month interest to be created upfront in the form of lien marked fixed deposits and one principal instalment to be created (iii) Second <i>pari passu</i> charge on immovable and movable fixed assets, current assets (both current and future) of our Company, excluding any assets which are charged to other lenders

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
								Cash Credit: The cash credit facility has been secured by: The LOU for buyers' credit has been secured by hedging the facility The letter of credit facilities, standby letter of credit facility, performance bank guarantee and financial bank guarantee are secured by security created for securing the respective term loans as sub limits of which these facilities have been granted We are required to hedge the letter of credit facilities in case the bank grants an import letter of credit In case of the letter of credit facilities provided as a sub limit of term loan facility 5, our Company is required to maintain a cash margin of 10% in the form of lien
10.	State Bank of India	Sanction Letter dated August 4, 2008	Term Loan 1: 75.00	Term Loan 1: 15.54	Base rate plus 3.75% per annum plus 0.10% (term loan tenor premium). The term loan also includes an upfront fee of 0.75% of the term loan limits. Default interest of	Purchase of medical equipment	Term loan 1 is to be repaid in 27 quarterly instalments as set out in the sanction letter	The facilities have been secured by:
	For material terms see note 7	Sanction Letter dated March 9, 2013	Term Loan 2: 30.00	Term Loan 2: 19.57			Term loan 2 is to be repaid in 21 quarterly instalments as set out in the sanction letter	(i) Hypothecation of stocks and receivables and the assets purchased out of the proceeds of the loan
		Ancilliary security documents*	Term Loan 3: 4.80 (SME)	Term Loan 3: 1.98			Term loan 3 is to be repaid in 21 quarterly instalments as set out in the sanction letter	(ii) Collateral of 1306.66 square yards of land situated at 227, Padavala
			Cash Credit: 2.98	Cash Credit: 2.98				

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			3.00 (Vijaywada unit) 1.50 (Ongole unit) FBWC: 4.50	FBWC: Nil	2.00% per annum will be charged on default in payment of dues		repaid in 48 monthly instalments Cash credit facility is to be repaid on demand	Revu, Gunadala, Vijaywada belonging to our Company and 1,173.33 square yards of land and building constructed on 186/1 Muktinutalapadu Village, Ongole, Prakasam District (iii) Personal guarantees provided by our Promoter, Dr. M Gopichand
11.	Siemens Financial Services Private Limited For material terms see note 8	Loan Agreement dated February 28, 2013 Demand Promissory Note dated February 28, 2013 Deed of Hypothecation dated February 28, 2013	1.15	0.56	14.00% per annum Default interest of 3% per month on the amount unpaid may be charged	Financing the purchase of medical equipment, specifically Siemens Acuron X 300 2.0 and the Siemens Mobile X-Ray Multimobile 2.5	To be repaid in 48 monthly instalments of ₹0.03 million Our Subsidiary may prepay the loan in full by paying a prepayment premium of 4 % of the total outstanding amount. Our Subsidiary is not permitted to partially pre-pay the loan	The loan has been secured by granting first ranking exclusive charge by hypothecation of the Siemens Acuron X 300 2.0 and the Siemens Mobile X-Ray Multimobile 2.5 financed from the loan
12.	Siemens Financial Services Private Limited	Sanction letter dated September 17, 2012 Loan and Hypothecation Agreement dated December 4, 2012	1.62	1.02	13.50% per annum Default interest of 3% per month on the amount unpaid may be charged	Financing the purchase of medical equipment, specifically RS Mammography, Mammomat 3000 with Biopsy Plate	To be repaid in 60 equal monthly instalments commencing 30 days from date of disbursement Prepayment fees of 4% on prepaid amount. Our Subsidiary is not permitted to partially pre-pay the loan	The loan has been secured by way of hypothecation of two Siemens RS Mammography, Mammomat 3000 with Biopsy Plate.
13.	State Bank	Letter of Credit dated	USD 0.23	USD 0.23	Nil	Purchase of medical	To be repaid on June	Lien on fixed deposit of ₹15.80

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
	of India	June 26, 2015				equipment from Wipro GE Healthcare Private Limited	4, 2018	million
14.	Kotak Mahindra Prime Limited	Loan Agreement dated July 24, 2013	1.13	0.42	10.80% per annum	Financing the purchase of a car	To be repaid in 36 monthly instalments	Hypothecation of vehicle
15.	HDFC Bank Limited	Letter dated September 9, 2014	1.20	0.90	10.50% per annum	Financing the purchase of a car	To be repaid in 36 monthly instalments	Hypothecation of vehicle
Loans availed by our Subsidiary, BACC Healthcare								
16.	Axis Bank Limited For material terms see note 9	Sanction letter dated August 20, 2014 Deed of Hypothecation dated October 18, 2014	Term Loan: 195.00	33.70	Base rate plus 1.65% per annum Default interest of 2% per annum on the outstanding amount may be charged	Part financing capital expenditure of ongoing centres in Bengaluru and setting up of new centres in Bengaluru and Ahmedabad	To be repaid in 25 equal quarterly instalments commencing after the moratorium of 12 months from the date of first disbursement Prepayment penalty will not be levied if payment is made out of internal accruals or infusion of equity. In any other case, prepayment penalty will be decided by the bank Door to door tenor of seven years including a moratorium of 12 months from the date of first disbursement	The facility is secured by the following: (i) First <i>pari passu</i> charge on all assets of BACC Healthcare, except those assets specifically funded to be funded by any other bank (ii) Exclusive first charge on all assets of BACC Healthcare funded/part funded out of the facility (iii) Exclusive charge by way of hypothecation on deposits placed with each lessor and to be suitably reflected in the documentation (iv) Corporate guarantee of our Company
Loans availed by our Subsidiary, Malnad Hospital								
17.	State Bank of Mysore, Shimoga	Sanction Letter dated September 30, 2014 Deed of Hypothecation	0.34	0.31	10.75% per annum	To purchase a car	To be repaid in 84 equal monthly instalments	The facility has been secured by (i) hypothecation of the car purchased out of the finance received from the bank, and (ii)

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
		dated September 30, 2014						personal guarantees of Mr. Mallesh Hullamani and Mr. Narendra Bhat T, directors of our Subsidiary.
18.	State Bank of Mysore, Shimoga	Sanction letter dated June 14, 2013 Loan cum hypothecation agreement dated June 20, 2013	Term Loan: 1.35	1.08	Base rate plus 2.75% per annum	Purchase of medical equipment	Repayable in 84 monthly instalments commencing 30 days from the date of release of the facility	The facility has been secured by hypothecation of machinery and equipment purchased from the proceeds of the loan and personal guarantees of Mr. Mallesh Hullamani and Mr. Narendra Bhat T, directors of our Subsidiary
19.	State Bank of Mysore, Shimoga	Sanction letter dated April 28, 2015	2.29	2.31	Base rate plus 1.95% per annum Minimum interest rate of 12.10%	Purchase of medical equipment	Repayable in 57 monthly instalments after a moratorium of three months	The facility has been secured by hypothecation of machinery, equipment and ambulance purchased out of the proceeds of the loan and personal guarantees of Mr. Mallesh Hullamani and Mr. Narendra Bhat T, directors of our Subsidiary
Loans availed by our Subsidiary HCG Medi-Surge								
20.	State Bank of India	Agreement of Loan cum Hypothecation dated September 4, 2008 Revised arrangement letter dated April 6, 2015 Ancillary Security Agreements*	Cash Credit 25.00 Term Loan: <i>Facility 3:</i> 177.00 <i>Facility 4:</i> 46.00 <i>Facility 5:</i> 47.00 <i>Facility (new):</i> 20.00 Credit Exposure Limit: 5.40	Term Loan: <i>Facility 3:</i> 129.80 <i>Facility 4:</i> 11.54 <i>Facility 5:</i> 16.94 <i>Facility (new):</i> Nil Credit Exposure Limit: Nil	Cash Credit: 3.75% above base rate, Term Loan: 2.95 % above base rate	Working capital purposes	Working capital to be repaid on demand Term Loan: <i>Facility 3</i> - to be repaid in 84 instalments as per the terms of the agreement <i>Facility 4</i> - to be repaid in 60 monthly instalments as per the terms of the agreement <i>Facility 5</i> - to be	The facilities have been secured by hypothecation of all stocks and receivables of the company, all movables including medical and non medical equipments and machineries, furniture and fixtures, etc. purchased from the proceeds of the loan. Equitable mortgage has been created over the HCG Medi-Surge Hospital building and the land over which the hospital is built located Maharashtra Society, Mithakhali six, Changispur taluka, Ahmedabad Corporate guarantee has been

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ Million)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
			Bank Guarantee: 15.00				repaid in 96 monthly instalments of ₹0.77 <i>Facility (new) – to be repaid in 48 monthly instalments of ₹0.44</i>	provided by our Company
Loans availed by HCG Regency								
21.	Bank of Baroda	Sanction letter dated July 8, 2013	Cash Credit: 10.00 (with sub-limit of 9.00 million for book debts) Term Loan: 443.00	Cash Credit: Nil Term Loan: 166.64	Base rate plus 2.25% being per annum 12.50%	Cash Credit: Working capital purposes Term Loan: Purchase of building, equipment and other fixed assets	Cash Credit: Repayable on demand Tenor of 12 months subject to annual review Term Loan: Repayable in 96 monthly instalments commencing from July 2017 Tenor of 144 months	The term loan is secured by way of a demand promissory note, hypothecation of machinery and equipment, equitable mortgage of land and building, a letter of instalment with acceleration clause and an undertaking of payment The cash credit facility is secured by way of a demand promissory note, letter of continuing security, composite hypothecation agreement Both facilities have been secured by personal guarantees provided by Dr. Atul Kapoor and Dr. Rashmi Kapoor and a corporate guarantee by our Company and Regency Hospital Limited
Loans availed by our LLP, Healthcare Diwanchand LLP								
22.	Siemens Financial Services Private Limited	Letter dated May 24, 2012	1.32	0.68	13.50% per annum Default interest of 1.50% per month on the amount unpaid may be charged	Financing the purchase of medical equipment namely, Multimobil 2.5 and Acuson X 300 PE	To be repaid in 60 monthly instalments Tenor of 60 months Prepayment fees of 4% of prepaid amount may be charged	The facility was to be secured by way of a demand promissory note.

** Ancilliary security documents include indemnity deeds, letters of comfort, deeds of guarantees, demand promissory notes, memoranda or mortgage, deeds of hypothecation letters of continuity and non disposal undertakings*

1. Material covenants in respect of the facilities availed from Axis Bank Limited

- (i) The bank is entitled to reset the spread in respect of the rupee term loan, 36 months after the first disbursement and every one year thereafter. Further, the bank reserves the right to revise the spread if the credit rating of the Company is downgraded.
- (ii) The bank is entitled to cancel the undrawn/unavailed/unused portion of the term loan at any time during the subsistence of the term loan without any prior notice to the Company, for any reason whatsoever.
- (iii) The bank is entitled to not disburse any further amount under the term loan if an event of default has occurred.
- (iv) The bank is entitled to at any time during the tenure of the term loan agreement, to revise/reschedule the prepayment terms/amounts or any other amounts outstanding.
- (v) The bank is entitled to amend any of the terms of and conditions of the term loan agreement including the interest rates charged under the term loan agreement without assigning any reason whatsoever.
- (vi) An event of default under the term loan agreement may be called under the following circumstances:
 - default by our Company in payment of interest, principal or any obligations payable to the bank;
 - failure by our Company to pay any other person other than the bank any amount when due and payable;
 - default by our Company in performing our obligations under the term loan agreement or any of the security documents, undertakings or other documents executed in relation to this facility;
 - representations and warranties provided by us under the term loan agreement becoming untrue;
 - any proceedings being instituted against our Company to declare us insolvent or our Company becoming bankrupt or insolvent;
 - failure of our Company in providing additional security on existing security depreciating in value;
 - any attachment, distress, execution or other process against the company or securities;
 - if it is certified by an accountant of a firm of accountants that our liabilities exceed our assets or that we are carrying on business at a loss; or
 - upon any substantial change in the management or constitution of our Company without the prior consent of the bank.
- (vii) Upon the occurrence of an event of default, the bank shall have the right to recover the entire loan, suspend withdrawal, take possession of the security created and take any other action that it may deem fit.
- (viii) Our Company is required to give preference to Axis Bank Limited over other banks and financial institutions for any further debt raisings by our Company or our Group Entities and Subsidiaries.

- (ix) Our Company is not permitted to enter into borrowing arrangements either secured or unsecured with any other bank or financial institution or accept deposits apart from the arrangement indicated in the funds flow statement submitted to the bank from time to time.
- (x) Our Company is not permitted to do the following without the prior written consent of the bank:
 - enter into any scheme of merger, amalgamation, compromise or reconstruction;
 - make any changes to our ownership or control, whereby our beneficial ownership or control shall change;
 - make any material change in the management of our Company;
 - conclude any borrowing arrangement
 - make any amendments to our Memorandum and Articles of Association;
 - obtain any loan or facility by providing the same property charged to the bank as security for the new loan;
 - create any further charge over our fixed asset; or
 - stand as surety for any third party loan.
- (xi) Our Company is not permitted to stand surety or guarantor for any third party liability or obligation.
- (xii) Pursuant to the letter of comfort dated March 22, 2012, we have confirmed that our Company will ensure the full repayment of the sums due to the bank by HCG Vijay. Should HCG Vijay be unable to or fail to repay its dues to the bank, our Company would be required to repay the same.
- (xiii) We are required to restrict our banking arrangements to Axis Bank Limited and other consortium arrangements approved by Axis Bank Limited.

2. *Material covenants in respect of the facilities availed from HDFC Bank Limited*

- (i) Our Company is required to route proportionate cash flows, including 90% of credit card flows through HDFC Bank.
- (ii) Our Company is permitted to use the loan only for working capital purposes.
- (iii) We are required to intimate HDFC Bank on any additional term loan or large capital expenditure undertaken by us.
- (iv) We are required to maintain a long term credit rating at a minimum of BBB. Any downgrade will trigger a review of this facility.
- (v) We are required to maintain a an adjusted total networth of more than ₹2,050 million, TOL/TNW of less than 1.75x and interest cover of more than 1.5x.
- (vi) We are required to intimate and take the prior consent of the bank before any change in our shareholding or current management.
- (vii) If we fail to pay on demand any monies ought to be paid by us under this facility, or if any circumstances should occur which in the sole judgement of the bank is prejudicial to the security created by us, the bank shall have the right to value and take charge of and recover, receive and appoint a receiver in such manner as it thinks fit to apply the net proceeds towards the payment of the dues.

- (viii) We are required to keep the hypothecated goods insured.
- (ix) The bank may at its own discretion and without assigning reasons cancel the loan and demand repayment.
- (x) The occurrence of the following events would constitute an event of default under the loan agreement:
 - default in the payment of principal or interest or any obligation due and payable;
 - execution or attachment process against our Company;
 - our Company going into liquidation without the consent of the lender;
 - if a receiver is appointed in respect of our property/assets;
 - if it is certified by an accountant of a firm of accountants that our liabilities exceed our assets or that we are carrying on business at a loss;
 - if we utilise the loan for a purpose other than the purpose for which it was borrowed; or
 - upon a substantial change in the constitution and management of our Company without the prior written consent of the lender, or upon our management ceasing to enjoy the confidence of the lender.
- (xi) An event of default would result in all dues and obligations of our Company becoming immediately due and payable, and the lender will be entitled to enforce security.

3. ***Material covenants in respect of the facility availed from ICICI Bank Limited***

- (i) The bank shall have the right to reset the spread at the end of every 12 months from the date of disbursement of the first tranche.
- (ii) If during the subsistence of the facility agreement, the bank is of the opinion that additional security is required to cover the facility, our Company will be required to provide such additional security as may be acceptable to the bank.
- (iii) Our Company would require the prior permission of the bank for any change in our management control.
- (iv) Our Company is not permitted to sell, lease, transfer , charge or otherwise dispose off any of our assets other than in the ordinary course of business.
- (v) Our Company is not permitted to enter into any arrangement regarding any amalgamation, merger, demerger or corporate reconstruction or change our normal course of business.
- (vi) Our Company has provided an undertaking to the bank to meet any shortfalls in capital required for the procurement of capital equipment through internal accruals or other arrangements.
- (vii) We are required to maintain total debt/adjusted tangible net worth below 2.00, a minimum debt service coverage ratio of 1.25, total debt/NCA below 4.00.
- (viii) The occurrence of the following events would constitute an event of default under the facility agreement:

- non payment of dues;
 - breach of covenants;
 - creditor's process;
 - misrepresentation;
 - cross default;
 - insolvency or insolvency proceedings;
 - inadequate security;
 - change in control of the company; or
 - cessation of business.
- (ix) Upon the occurrence of an event of default, the bank may cancel the facility, seek that the facility be repaid on demand, accelerate/recall the loan, enforce the security, appoint a whole time director/technical consultant or concurrent auditor, convert the loan to equity or levy a fee for the breach.
- (x) Our Company shall be required to reimburse the bank for all expenses incurred by it in respect of this facility.
- (xi) Upon a material adverse change in our business, operations, property, conditions or in the international capital markets, loan syndication markets as determined by the bank, the bank has the right to re-negotiate the terms and conditions till the initial drawdown or terminate the financing arrangement.
- (xii) Our Company is not permitted to declare or pay any dividend or authorise or make any distribution, payment, delivery of property or cash to its shareholders during the currency of this facility.
- (xiii) Our Company is required to get ourselves rated by a credit rating agency and obtain a minimum credit rating of 'BBB' failing which, the bank shall have the right to review the applicable interest rate payable by us.
- (xiv) We are required to furnish an end use certificate from a practicing chartered accountant within a period of 15 days from the end of the quarter for the drawdown made in the previous quarter.
- (xv) The bank reserves the right to accelerate repayment of the loan depending on our cash flows and future plans.
- (xvi) We are required to obtain the prior approval of ICICI Bank in order to extend corporate guarantees.
- (xvii) Our Chairman and Managing Director, whole-time Directors are not permitted to accept any commission from the Company in any year unless all instalments and interest due to the bank has been paid. Further, they are not permitted to accept any compensation from the Company in the event of loss of office for any reason, if there is any default on the payments due to the bank.
- (xviii) Our Company is not permitted to recognise or register any transfer of shares in our Company made or to be made by any person as specified by the bank. Such persons are required to execute an undertaking to this effect and deposit their share certificate with the bank.

- (xix) We have agreed to route on a pro-rata basis business relating to collection and payments, deposits, foreign exchange transactions, non fund based transactions and hedging business through the bank.
- (xx) We are not permitted to repay our Promoter any unsecured loan received by us so long as we have outstanding dues under the facility agreement.
- (xxi) We are not permitted to sell, transfer, assign, dispose or encumber our current assets and fixed assets, including future assets without the prior written permission of the bank. Further we are not permitted to sell, transfer, assign, dispose or encumber our linear accelerator true beam installed at Mylapore, Chennai.
- (xxii) Our Promoter, Dr. B. S. Ajai Kumar has undertaken to not dispose, transfer assign or encumber any of his Shares in our Company without the prior approval of the bank and not part with the share certificates so long as money remains due to the bank under the facility. Our promoter is also required to inform the bank of any increase in his shareholding and such additional shares shall also be subject to such restrictions. Accordingly, our Company has agreed to not recognise any transfer of Shares by our Promoter without the prior approval of the bank.

4. *Material covenants in respect of the facilities availed from Siemens Financial Services Private Limited*

The material covenants in respect of all facilities availed by our Company from Siemens Financial Services Private Limited are identical and are as follows:

- (i) The lender is permitted to change the repayment schedule at any time after intimating our Company of such changes.
- (ii) In the event of a change in control of our Company, our any member of our group which is a party to the security documents under this loan arrangement, our Company is required to immediately notify the lender and the lender may by notice of not less than seven days to our Company, cancel the loan and declare the loan together with all accrued interest immediately due and payable. The lender may also require that we provide additional security in relation to the loan. Any failure to provide such additional security would constitute an event of default.
- (iii) Our Company is liable to pay indemnities including tax indemnities to the lender for any losses suffered by the lender in respect of the facilities.
- (iv) Our Company is liable to pay increased costs arising out of any changes in law or regulation.
- (v) Our Company is required to maintain adequate insurance cover over the medical equipment financed from the loan, against the risk of destruction, damage, loss, burglary, theft, fire, flood and other similar risks. We are required to name the lender as the first loss payee under such insurance cover. The lender may at any time require us to increase the insurance cover.
- (vi) The medical equipment financed from the facilities and the insurance proceeds are held by us in trust for the lender. We are required to maintain the equipments in good working order and repair and maintain the same at our own cost. Our Company is liable for any loss or damage caused to the equipments.
- (vii) Our Company is not permitted to change the location or sell, dispose or encumber in any way the medical equipments without the prior approval of the lender.

- (viii) Any non-payment of dues or non-fulfilment of obligations under the terms of this facility, change in the business of our Company, change in the ownership of the medical equipment, misrepresentation, insolvency of our Company any deterioration in the value of the medical equipment, attachment or confiscation of the medical equipment, cross default in respect of other indebtedness by our Company would result in an event of default under this agreement.
- (ix) On the occurrence of an event of default, the lender may accelerate the repayment of the loan and declare the loan to be immediately due and payable. The lender is also entitled to take over the medical equipments and sell the same through a private sale or a court process. The lender may enforce security upon an event of default. The lender may also appoint a receiver in relation to the medical equipments.
- (x) The lender may assign or novate these loans to another bank or financial institution without the prior approval of our Company.
- (xi) Our Company is not permitted to assign or novate any of its rights and obligations under these agreements to a third party without the written consent of the lender.
- (xii) Partial payments will be applied first towards the payment of interest, secondly towards the payment of principal and lastly towards the payment of any other sum due under the facility.

5. ***Material covenants in respect of the facilities availed from SREI Equipment Finance Private Limited***

The material covenants in respect of all facilities availed from SREI Equipment Finance Private Limited are identical and are as follows:

- (i) The lender has been granted the sole and uncontrolled discretion to repudiate the facilities on the establishment that the loan has been obtained by illegal or unlawful means, if the medical equipments are not fit for the purpose for which they were acquired, if the loans have been utilised for purposes other than for which they were granted, if long term stability of our Company's business is affected, or on the occurrence of any event pursuant to which a diligent person in the kind of business of the lender would be disinclined to lend money to our Company, the lender may sell, lease or dispose off the equipments for the purpose of recovery of any disbursement or interest.
- (ii) Any payments made under these agreements shall be appropriated firstly towards the costs, charges and expenses, secondly towards interim interest, thirdly, towards the interest portion of the repayment instalments and lastly towards the principal portion of the repayment instalments.
- (iii) Where any sum payable by our Company is paid beyond the due date, such sums shall automatically stand increased at the rate of ₹0.50 per day for every ₹1,000 of the amount overdue.
- (iv) Our Company has agreed to enter into maintenance contracts in respect of the equipments financed from the loans.
- (v) Our Company may not attempt to sell, dispose, encumber in any manner the equipments without the prior written consent of the lender.
- (vi) Our Company is required to intimate the lender of any change in location of the equipment.

- (vii) Our Company is required to keep the medical equipments fully insured against damage due to earthquakes, fire, riots, theft, burglary, natural disasters and other such events. Our Company is required to name the lender as the loss payee under the insurance agreements.
- (viii) The occurrence of the following events shall constitute an event of default:
 - non payment of any repayment instalment or interest on the due date;
 - failure by our Company to perform any of its obligations under the loan agreements and failure to cure that breach within a period of 30 days from the date of notification of such breach.
 - failure by our Company to pay its debts;
 - dissolution of our Company or institution of liquidation proceedings;
 - failure by our Company to insure the medical equipment;
 - if any representation or warranty made by our Company is proved to be incorrect;
 - sale, alienation or encumbering the medical equipment without the prior approval of the lender; or
 - cross defaults under other agreements.
- (ix) Upon the occurrence of an event of default, we are required to intimate the lender and the lender may choose to either accelerate the repayment and declare the entire loan payable forthright and foreclose the security or take possession of the medical equipment and transfer/deal with or dispose of the equipment as it may deem fit.
- (x) Our Company is not permitted to assign its rights and obligations under these agreements without the prior written consent of the lender.
- (xi) The lender may assign, transfer or novate all of its rights and obligations under these agreements and notify our Company of the same.

6. *Material covenants in respect of the facilities availed from Yes Bank Limited*

- (i) Our Company is not permitted to change our Chairman and Chief Executive Officer or make a change in our shareholding pattern of more than 5% without the consent of the bank.
- (ii) Our Promoter, Dr. BS Ajai Kumar has confirmed that so long as amounts remain due to the bank, he shall not without the prior approval of the bank recognise or register the transfer of any shares held by him in our Company nor note any lien in respect of such shares.
- (iii) Our Promoter, Dr. BS Ajai Kumar has confirmed that he shall not until such time all the amounts payable by our Company to the bank are fully repaid, dilute in any manner, his shareholding in our Company below 18% of the total paid up equity share capital of our Company. He has further undertaken to not transfer, assign, dispose off, pledge, charge or create any lien or in any way encumber his existing or future shareholding in our Company such that his shareholding falls below 20% of the total paid up equity share capital of our Company. Any non compliance with this condition would constitute an event of default under the loan documents.
- (iv) Our Company is not permitted declare dividend in case any instalment or interest remains unpaid after its due date, and not without the prior written consent of the bank.

- (v) Our Promoter, Dr. B. S. Ajai Kumar has undertaken to subordinate all long term loans, deposits, advances provided by him to our Company to the facilities provided by Yes Bank Limited. All advances to be provided to our Company from our Promoter would have to be interest free and would require the prior written consent of the bank.
- (vi) We are not permitted to make any incremental debt or fund raising, investments or guarantees without the consent of the bank.
- (vii) All equity infusion into our Company is required to be routed through the bank.
- (viii) Our Company is not permitted to assume or incur any indebtedness of a long term nature without the prior written consent of the bank.
- (ix) Our Company is required to route cashflows from BMORCL to a minimum extent of ₹12.00 million per month through a separate escrow account maintained with the bank.
- (x) Our Company will require the written consent of the bank prior to any further capex in HCG Balabhai Nanavati Hospital Cancer Care Centre.
- (xi) Our Company is not permitted to sell, assign, mortgage or dispose of any property charged to the bank without the prior written consent of the bank.
- (xii) Our Company has granted the bank a right of first refusal for all banking products, including term loans, working capital, trade, treasury, CMS, ATM, POS machines, investment banking etc.
- (xiii) Our Company is required to reduce the debt - EBIDTA ratio to 4x by November 30, 2017
- (xiv) Our Company is required to achieve a Debt - EBITDA ratio of 6x by November 30, 2014 and is to be monitored annually thereafter
- (xv) Our Company is required to achieve a Debt - TNW ratio of 2x by November 30, 2014 and is to be monitored annually thereafter
- (xvi) Any change in the shareholding pattern of our wholly owned Subsidiaries in Uganda and Tanzania would require the prior written consent of the bank.
- (xvii) Termination of the lease agreement entered into between our Company and our partner in our proposed centre in Delhi would trigger a prepayment of the entire loan.
- (xviii) In the event that the tenor of the lease deed entered into between our Company and our partner in our proposed centre in Delhi is less than the tenor of the term loan facility 6, we would be required to renew the lease atleast one month prior to its expiry, failing which, the bank will have the right to recall the facility.
- (xix) In consideration for the guarantee limit, letter of credit provided to our Company, our Company has agreed to indemnify the bank against any losses, damages, costs, demands and claims under any bonds, indemnities and guarantees and letters of credit executed by the bank on behalf of our Company.

- (xx) The bank may vary the terms of the guarantee limit without the prior consent of our Company.
- (xxi) We are not permitted to use the proceeds of term loan facility 3 towards acquisition of land, capital market exposures and other activities prohibited by RBI.
- (xxii) Our Company is not permitted to charge or encumber other than in the ordinary course of business any of the assets hypothecated to the bank without the prior written consent of the bank.
- (xxiii) The occurrence certain events including inter-alia the following events will constitute an event of default:
- non payment of any sum under these facilities when due;
 - non compliance with the terms of the loan documents;
 - any representation or warranty being proved incorrect or misleading;
 - if in the lender's sole opinion, our company is unable to comply with the obligations under the loan documents;
 - any amount aggregating at least ₹10 million is not paid to any creditor when due pursuant to a court order;
 - the occurrence of a material adverse change;
 - acquisition/nationalisation/expropriation of our assets and properties by the Government;
 - steps taken towards winding up and dissolution of our Company;
 - deterioration or impairment of the security;
 - our Company going into liquidation or the appointment of a receiver;
 - change in material ownership or management of our Company;
 - discontinuation of the agreements between our Company and Balabhai Nanavati Hospital and our Company and hospitals in Uganda/Tanzania;
 - cross default under any other loan document or material agreement; or
 - Failure by our Company to get a credit rating as approved by the bank. Any downgrade in credit rating would give the lender the right to re-price the loan, and/or unconditionally cancel the loan. Upon such cancellation, all sums outstanding will become immediately due and payable.
- (xxiv) On the occurrence of an event of default, our Company has undertaken to assign in favour of the bank, all rights to conduct operations in HCG Balabhai Nanavati Hospital Cancer Care Centre within 45 days of such default. Further, the bank has the right to accelerate payments due under the facilities and realise the security.
- (xxv) Our Company is not permitted to amend the agreements between our Company and Balabhai Nanavati Hospital and our Company and the Uganda/Tanzania based hospitals without the prior written consent of the bank.
- (xxvi) The standby letter of credit facility will be closed in the event that our group obtains any other facility by securing the equipment purchased from the proceeds of this facility;
- (xxvii) The lender has the sole discretion to cancel the facilities at any time.
- (xxviii) We are not permitted to enter into a scheme of merger, amalgamation, compromise or reconstruction without the prior written consent of the bank.
- (xxix) We are not permitted to change the ownership or control of our Company without the prior written consent of the bank.

- (xxx) We are not permitted to change our Chairman and Chief Executive Officer or ownership pattern of our Company without the consent of the bank.
- (xxxi) We are not permitted to effect any material change in management of our Business, without the prior written consent of the bank.
- (xxxii) We are not permitted to incur additional debt excluding vendor financing for medical equipment without the prior consent of the bank.
- (xxxiii) We are not permitted to amend our Charter Documents without the prior written consent of the bank.
- (xxxiv) Our Company is required to keep all secured assets insured as per the requirements of the bank.
- (xxxv) On the occurrence of an event of default or initiation of winding up proceedings, the bank shall have the right to appoint receivers, dispose off the hypothecated assets and enforce security.
- (xxxvi) The bank may assign its rights and obligations under these documents without the consent of our Company.
- (xxxvii) Our Company is not permitted to assign its rights and obligations under these documents.
- (xxxviii) Libor risk on FCNR loans are to be hedged with the bank.

7. ***Material covenants in respect of the facilities availed by our Company from State Bank of India***

- (i) Our Company is required to insure the assets financed from the loan. Further, all properties mortgaged to the bank is required to be insured for its full market value.
- (ii) All promoters of the Subsidiary are required to be covered under an SBI Life Insurance Policy.
- (iii) Our Company is required to route all business through State Bank of India.
- (iv) Our Company is not permitted to enter into any contractual obligation of a long term nature affecting its financial position.
- (v) Our Company is required to insure all stocks and properties preferably with State Bank of India General Insurance Company.
- (vi) The bank has the right to reset the interest rate after every two years. If our Company is not acceptable to such change, our Company has the option to prepay the loan without any prepayment charge.
- (vii) Our Company is not permitted to effect any scheme of amalgamation or reconstruction without the prior consent of the bank.
- (viii) Our Company is not permitted to effect any change in its capital structure without the prior consent of the bank.

- (ix) Our Company is not permitted to undertake any new project/schemes, acquire new fixed assets, without the prior consent of the bank unless such new project/scheme or acquisition is being undertaken out of the Subsidiary's net cash accruals.
- (x) Our Company is not permitted to do the following activities without the prior written consent of the bank:
- enter into borrowing arrangements;
 - invest by way of share capital in or lend or advance funds to any other concern;
 - undertake guarantee obligations;
 - declare dividends for any year except out of profits relating to that year provided that no default has occurred in its repayment obligations;
 - create any encumbrance over its undertaking or any part thereof;
 - encumber the assets charged to the bank;
 - enter into any long term contracts which would have a significant effect on the financial status of our Company;
 - change the practice with regard to the remuneration of directors;
 - transfer any controlling interest or make any drastic change in the management set-up; or
 - repay the money brought in by the promoters, directors, principal shareholders of our Company by way of loans, deposits, advances.
- (xi) The bank has been granted the first charge over the profits of the Subsidiary, for repayment of dues under the agreement.
- (xii) The bank has been granted the right to convert the loan into equity at any time felt appropriate by the bank at a mutually acceptable formula.
- (xiii) The promoters of our Company are not permitted to disinvest from the Company.
- (xiv) The bank has been granted the right to appoint its nominee on the board of directors of our Company.
- (xv) Our Company is required to keep the bank informed of any circumstances adversely affecting the financial position of its subsidiaries, group companies, associate companies in which it has invested.
- (xvi) Enhanced interest rate of 1.00% subject to a maximum of 2.00% will be charged for delay/non submission of financial data, financial statements and stock data as required under the loan documentation.
- (xvii) All assets charged to the bank are to be insured against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil commotion and other natural calamities with a company approved by the bank.
- (xviii) Our Company cannot be reconstituted without the prior consent of the bank.
- (xix) In case of occurrence of any event of default including any default in payment, breach of terms and covenants, misrepresentation, arrangement with creditors, cease of business, execution or similar process, passing of winding up order- the amount shall become immediately due and payable.

8. ***Material covenants in respect of the facilities availed by our Company from Siemens Financial Services Private Limited***

- (i) We are required to promptly inform the lender in the event of any change in control of our Subsidiary, HCG Vijay. The lender may on the occurrence of such an event declare the loan immediately due and payable or require us to provide additional security.
- (ii) Our Subsidiary has agreed to indemnify the lender for any taxes that the lender may become liable for in connection with this facility. Our Subsidiary has also agreed to indemnify the lender against any loss or liability incurred by it as a result of an event of default, failure by our Subsidiary to repay the due amounts, or on the loan not being prepaid in accordance with the terms of the agreement.
- (iii) Our Subsidiary is required to keep the assets procured out of the proceeds of the loan and provided as security for the loan to be insured against risk of destruction, damage, loss or burglary, theft, fire or flood and other similar risks. We are required to name the lender as the loss payee under such arrangements.
- (iv) The occurrence of certain events could constitute an event of default under these agreements, such events inter-alia include the following:
 - non-payment of dues under this facility and failure to fulfil our obligations under the facility;
 - any change of business by our Subsidiary;
 - misrepresentation in any warranty or representation made by our Subsidiary;
 - insolvency of our Subsidiary; or
 - cross default under any of the other loans availed by our Subsidiary;
- (v) Upon the occurrence of an event of default, the lender may declare the loan and all dues outstanding immediately due and payable. The lender may also enforce security over the secured assets.
- (vi) Our Subsidiary is not permitted to assign or novate any of its rights and obligations under this agreement without the prior written consent of the lender, the lender may however assign or novate its rights and obligations to any other entity without the consent of our Company.
- (vii) The terms of this agreement are governed by the laws of India.
- (viii) Our subsidiary is required to immediately inform the lender in case of any change in the group structure.
- (ix) Our Company is required to keep all assets in good condition and shall be liable for any loss/damage to the same. It shall not sell, encumber, dispose off the assets or change the premises without the prior written approval of the lender.

9. ***Material covenants in respect of the facilities availed by our Subsidiary, HCG Regency from Bank of Baroda***

- (i) Our Subsidiary is required to bank exclusively with the lender.
- (ii) Securities charged to the bank is required to be insured against fire and other risks preferably under a bancassurance arrangement

- (iii) Our Subsidiary is not permitted to do the following without the prior written permission of the bank:
- Effect any change in constitution
 - Implement any schemes of expansion, modernisation, diversification, renovation or acquire any fixed assets;
 - Formulate any scheme of merger/amalgamation/reconstitution;
 - Enter into any borrowing arrangement with any other entity;
 - Undertake guarantee obligations on behalf of any other firm, company or person;
 - Sell assign or encumber any of the assets charged to the lender;
 - Create any further charge or encumbrance over the assets charged/to be charged to the lender.

10. *Material covenants in respect of the facilities availed by our Subsidiary, BACC Healthcare from Axis Bank*

- (i) Our Company has undertaken to retain management control of the medical centre during the tenure of the facility.
- (ii) The Subsidiary is required to comply with the following financial covenants:
- TTL/NW less than 1.5 times;
 - Asset cover ratio more than 1.25 times;
 - Minimum DSCR of 1.5 times.
- (iii) Our Subsidiary is required to maintain key man insurance in respect of Dr. Kamini Rao.
- (iv) All cash flows from the Subsidiary is required to be routed through an Axis Bank account.
- (v) The bank reserves the right to accelerate the repayment of the loan in case the DSCR of the subsidiary exceeds two times.
- (vi) Our Subsidiary is permitted to declare dividends only if there are no existing events of default and financial covenants are complied with.
- (vii) Our Subsidiary is required to maintain adequate insurance cover during the tenure of the loan.
- (viii) Our Subsidiary may not undertake further borrowings without the prior consent of the lender.
- (ix) Our Subsidiary is required to intimate the lender of any change in its management/board of directors.
- (x) Our Subsidiary is not permitted to formulate any scheme of amalgamation, divestment or reconstruction without the prior written consent of the lender.

II. Unsecured Loans

(in ₹, unless stated otherwise)

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in Million)	Amount outstanding (in Million)	Interest rate/Commission rate (%)	Purpose	Repayment
Loans availed by our Company							
23.	Siemens Aktiengesellschaft, Medical Solutions For material terms see note 11	Deferred Payment Agreement dated February 4, 2011	Deferred Payment Amount: USD 3.04	USD 1.12	2.45% per annum Default interest rate of 18.00% per annum	Deferred payment for medical equipment purchased from Siemens Aktiengesellschaft Medical Solutions	The amount is to be payable in 24 quarterly instalments in arrears The amounts outstanding may be prepaid with the consent of the lender subject to our Company making good any losses that the lender may incur as a result of such prepayment
24.	Siemens AG Germany	Purchase order dated August 7, 2014	Deferred Payment Obligation: USD 0.95	USD 0.95	Nil	Deferred payment obligation for purchase of medical equipment for our Panda Curie Cancer Hospital at Cuttack	To be repaid in 35 months from date of dispatch in three equal instalments
25.	Siemens AG Germany	Purchase order dated September 16, 2014	Deferred Payment Obligation: USD 0.95	USD 0.95	Nil	Deferred payment obligation for purchase of medical equipment for our HCG NMR Centre, Hubli	To be repaid in 35 months from date of dispatch in three equal instalments
26.	Elekta Limited	Purchase Order dated October 31, 2012 Invoice dated November 20, 2012	Deferred Payment Obligation: USD 1.40	USD 1.14	4.25% per annum	Deferred payment obligation for purchase of medical equipment for our HCG MSR Curie Centre, Bengaluru	5% of the amount has been paid as down payment. 95% of the amount to be paid in seven instalments every six months commencing 24 months from the date of shipment
27.	Varian Medical Systems	Purchase Order dated August 14, 2012	Deferred Payment Obligation: USD 0.50	USD 0.50	Nil	Deferred payment agreement for purchase of medical equipment for our centre in Bengaluru	USD 0.10 to be paid 30 days from shipment USD 0.20 to be paid 30 days from 12 months from shipment USD 0.19 to be paid 30 days from 24 months from shipment

Sl. No.	Lender	Particulars of the documentation	Amount Sanctioned (in Million)	Amount outstanding (in Million)	Interest rate/Commission rate (%)	Purpose	Repayment
28.	Siemens Aktiengesellschaft, Healthcare Sector	Deferred Payment Agreement dated September 25, 2013	Deferred Payment Amount: USD 0.59	USD 0.59	Default interest rate of 12% per annum	Deferred payment agreement for purchase of medical equipment for our Bangalore Institute of Oncology Unit	Bullet repayment 35 months from the date of the airway bill being December 23, 2013
29.	Siemens Aktiengesellschaft, Healthcare Sector	Deferred Payment Agreement dated August 27, 2013 Purchase order dated July 16, 2013	Deferred Payment Amount: USD 0.79	USD 0.79	Default interest rate of 18% per annum	Deferred payment agreement for purchase of medical equipment for our HCG Curie Manavata Cancer Centre, Nashik	Bullet repayment 35 months from the date of the airway bill
30.	SREI Financial Services Private Limited	Undated master operating lease agreement	21.06	17.81	12% per annum	To purchase medical equipment from Wipro GE Healthcare Private Limited	To be repaid in 72 monthly instalments
Loans availed by our Subsidiary, HCG Medi-Surge							
31.	Varian Medical Systems	Purchase order dated December 30, 2010 and October 12, 2010 Quotation dated October 12, 2014	Deferred Payment Obligation: USD 2.55	USD 0.21	Nil	Deferred payment agreement for purchase of linear accelerator for our unit in Ahmedabad	Structured payments to be made over a period of 5 years as set out in the purchase order
32.	Elekta Limited	Purchase Order dated October 31, 2012	Deferred Payment Obligation: USD 0.16	USD 0.12	4.25% per annum	Deferred payment obligation for purchase of radiotherapy equipment	5% of the amount has been paid as down payment. 95% of the amount to be paid in 7 equal tranches over 5 years from date of shipment

Intercompany unsecured loans

Our Company and our Subsidiaries, depending on business requirements have extended inter-corporate loans from time to time. For further details, refer to the notes to accounts to the Restated Consolidated Financial Statements at “Financial Statements” at page F-1.

11. Material covenants in respect of the facilities availed from Siemens Aktiengesellschaft:

- (i) The title to the equipment supplied under these agreements shall not pass to our Company until the entire deferred payment amount together with interest accrued has been paid.
- (ii) We cannot sell, transfer, lease, create security or otherwise dispose of in whole or in part the equipment supplied. We have covenanted that our obligations under these agreements shall at all times rank at least *pari passu* with all current and future unsecured and unsubordinated debts.
- (iii) We are not permitted to transfer, assign or dispose of any material part of our assets which would affect our payment obligations without the prior consent of the lender.
- (iv) We are required to bear all risks associated with damage caused to the equipment purchased under these agreements.
- (v) We are required to maintain adequate insurance cover in relation to the equipment purchased under these agreements.
- (vi) The occurrence of certain events would constitute an event of default under these agreements, including the following:
 - Failure to pay due amounts when due and payable
 - Breach of the terms of this agreement;
 - Making an incorrect representation or warranty;
 - Our Company either in a single or series of transactions sells, transfers, leases or otherwise disposes all or a substantial part of our assets other than in the ordinary course of business; or
 - Any financial indebtedness of our Company not being paid when due.
- (vii) On the occurrence of an event of default, the lender may cancel the unused part of the deferred payment amount and declare the outstanding amount to be immediately due and payable.
- (viii) Our Company is not permitted to assign our rights and obligations under these agreements. However, the lender may assign its rights and obligations under these agreements without our prior consent.
- (ix) The agreements are governed by the laws of Switzerland. All disputes arising out of or in connection with these agreements shall be referred to arbitration.

III. Financial Leases

Sl. No.	Lessor	Particulars of the documentation	Lease Rental (in Million)	Details of leased property	Duration of lease	Purpose
Leases entered into by our Company						
1.	Vintage Hotels Private Limited	Lease deed dated August 10, 2011	₹2.57 per month exclusive of service tax Security deposit of ₹60.00 million Rent will be escalated at the rate of 5.00% annually	Property situated at no. 7/8 and corresponding municipal no. 9, Kalinga Rao Road, Bengaluru 560 027	24 years	To operate a cancer hospital at the leased premises.
2.	Hotel Mulberry Private Limited	Lease deed dated November 29, 2006	₹0.40 per month Security deposit of ₹3 million Rent will be escalated at the rate of 7.00% every three years	Property situated at no. 7/1, P Kalinga Rao Road, Bengaluru 560 027	30 years	To operate a cancer hospital at the leased premises.
3.	Panda Medicals Private Limited	Lease deed dated September 15, 2008	₹0.40 per month before completion and ₹1.10 per month upon delivery of possession Security deposit of ₹7.5 million Rent will be escalated at the rate of 6.00% per annum each year during the term of the agreement.	Property situated at plot no. 236, 238 and 242, municipal no. 166/1, 166/5, 168/8, 166/3, Thana No. 44, Mouza, Cuttack -	The term of the agreement is 15 years. The agreement can be renewed for another 15 years by mutual consent of the parties.	To operate a cancer hospital at the leased premises.

Sl. No.	Lessor	Particulars of the documentation	Lease Rental (in Million)	Details of leased property	Duration of lease	Purpose
4.	SREI Equipment Finance Private Limited	Master Operating Lease Agreement and Rental Schedule dated September 30, 2011	0.8 as monthly instalments to be in calendar year 2012, 1.0 as monthly instalments to be in calendar year 2013, 1.4 as monthly instalments to be in calendar year 2014, 1.6 as monthly instalments to be in calendar year 2015, 1.65 as monthly instalments to be in calendar year 2016 and 1.70 as monthly instalments to be in calendar year 2017	Lease of PET CT and Tomography	6 years	For procuring medical equipment

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with the Audited Restated Financial Statements, the notes and significant accounting policies thereto and the reports thereon, in the “Financial Statements” on page F-1. The Financial Statements are based on Indian GAAP, which differ in certain significant respects from U.S. GAAP and IFRS. Accordingly, the degree to which the Financial Statements in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting practices.

Our financial year ends on March 31 of each year, so all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections “Risk Factors” and “Our Business” included in this Draft Red Herring Prospectus.

OVERVIEW

We are a provider of speciality healthcare in India focused on cancer and fertility. Under the “HCG” brand, we operate the largest cancer care network in India in terms of the total number of cancer treatment centres licensed by the AERB as of March 31, 2015. (Source: Government of India, Atomic Energy Regulatory Board) Under the “Milann” brand, we operate our fertility centres.

As of June 30, 2015, our HCG network consisted of 15 comprehensive cancer centres, including our centre of excellence in Bengaluru, four freestanding diagnostic centres and one day care chemotherapy centre across India. Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). Our freestanding diagnostic centres and our day care chemotherapy centre offer diagnosis and medical oncology services, respectively. For further details, see “Our Business– Our Operational Structure” on page 156.

Our HCG network operates on a “hub and spoke” model, wherein our HCG centre of excellence in Bengaluru serves as a “hub” to our other cancer centres. Our centre of excellence provides our other centres access to centralised quality control and assurance services; establishes treatment protocols that are adhered to across our HCG network; provides centralised treatment planning and tele-radiology services to help with diagnosis and treatment; conducts weekly central tumour board meetings to review complex cases; and also gives our HCG network access to advanced technologies, such as WBRRS and specialised procedures such as liver transplants and stem cell therapies. We believe this model allows our HCG network of cancer centres to leverage the expertise and capabilities of our centre of excellence, which when combined with the diagnostic and treatment facilities at our cancer centres, allows us to deliver quality cancer care to patients across India in a seamless manner.

We follow a multidisciplinary approach to cancer care across our HCG network, wherein specialist physicians from various disciplines collaborate to provide the best course of treatment for each patient. This allows us to share and develop best practices, build clinical expertise and adopt standardised protocols for diagnosis and treatment, thereby improving the quality of our cancer care services. We believe that as a result, we are able to better serve our patients and ensure consistent clinical outcomes.

In our HCG network, our specialist physicians adopt a technology-focused approach to diagnosis and treatment. For instance, we use advanced technologies, including molecular pathology and molecular imaging for accurate diagnosis and staging of cancer, which enable us to decide upon the appropriate course of treatment for each patient. We also utilise targeted nuclear medicine therapies as well as advanced radiation treatments to minimise side effects and improve the outcome of treatments. By ensuring that we adopt these diagnostic and treatment technologies throughout our HCG network, we are able to provide consistent quality of care to all patients.

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale.

Furthermore, through the adoption of a centralised drug and consumables formulary, we are able to lower the overall cost of drugs and consumables. We believe that our business model is scalable and when combined with efficient utilisation of resources, it enables us to operate within a competitive cost structure.

We began the expansion of our HCG network in 2006, and have since added 12 comprehensive cancer centres, four freestanding diagnostic centres and one day care chemotherapy centre across India as of June 30, 2015. As of June 30, 2015, we also had 12 HCG comprehensive cancer centres under various stages of development in India.

The following table sets out the number of our comprehensive cancer centres and the key operational data of our HCG network during Fiscal Years 2015, 2014 and 2013:

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
Comprehensive cancer centres in operation	15	15	14
New patient registrations	37,458	34,344	28,546
Patients treated with radiation therapy	12,647	11,181	10,225
PET-CT procedures	23,988	21,040	17,750
Chemotherapy administrations	48,360	43,988	40,052
Surgeries	8,707	8,454	7,333

We believe that our current model of providing speciality healthcare in India can be replicated in other underserved healthcare markets. We intend to establish a network of speciality cancer centres in Africa, similar to our cancer care network in India. We believe that our planned network will cater to the increasing unmet demand for cancer care in Africa due to which, a large number of cancer patients travel outside the region to avail quality cancer care, including to our comprehensive cancer centres in India. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa.

We also provide fertility treatment under our Milann brand. We acquired 50.10% equity interest in BACC Healthcare in 2013 which operates fertility centres under the Milann brand, through itself and its wholly-owned subsidiary, DKR Healthcare. Pursuant to this acquisition, we now operate four Milann fertility centres in Bengaluru.

BACC Healthcare is led by a team of qualified and experienced fertility specialists. Its founder, Dr. Kamini Rao has a successful track record of over 25 years of providing fertility treatments. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation; and follow a multidisciplinary and technology-focused approach to diagnosis and treatment. Our Milann network also operates on a model similar to our HCG network, wherein the various Milann fertility centres aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment. During Fiscal Years 2015 and 2014, our Milann fertility centres registered 8,027 and 7,617 new patients and performed 1,111 and 932 IVF procedures, respectively. Our Milann fertility centres also offer training programmes for fertility specialists and embryologists. For further details, see “*Our Business – Training*” on page 166.

Under our Triesta brand, we provide clinical reference laboratory services in India with a specialisation in oncology, including molecular diagnostic services and genomic testing. Our Triesta central reference laboratory is located in our centre of excellence in Bengaluru. Our Triesta central reference laboratory is accredited by NABL in India, as well as by CAP for quality assurance of laboratory tests performed. Additionally, Triesta offers research and development services to pharmaceutical and biotechnology companies in the areas of clinical trial management and biomarker discovery and validation. Triesta is led by a team of specialist oncopathologists, molecular biologists and clinical researchers. We believe that Triesta is well-positioned to leverage the wide variety of patient cases across our HCG network to develop its capabilities and business.

On a consolidated basis, our revenue from operations for Fiscal Years 2015, 2014 and 2013 was ₹5,193.75 million, ₹4,513.34 million and ₹3,383.05 million, respectively. We earned a net profit amounting to ₹5.46 million and incurred net losses amounting to ₹355.53 million and ₹105.14 million, respectively for Fiscal Years 2015, 2014 and 2013. On a consolidated basis, our EBITDA before exceptional items for Fiscal Years 2015, 2014 and 2013 was ₹810.55 million, ₹422.16 million and ₹486.07 million, respectively.

NOTE REGARDING PRESENTATION

The Audited Restated Financial Statements have been prepared in accordance with Indian GAAP and standards specified under the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and the SEBI ICDR Regulations. The discussion below covers our audited restated consolidated results for Fiscal Years 2015, 2014 and 2013, which have been restated in accordance with the SEBI ICDR Regulations.

FACTORS AFFECTING OUR FINANCIAL RESULTS

Expansion of our HCG Network and our Milann Network

The expansion of our HCG network and our Milann network is one of the most important factors affecting our results of operations and financial condition. Historically, our business growth has been primarily driven by establishing new centres on our own and as well as through partnership arrangements and acquisitions; and we expect these to continue to be the key drivers for our future growth. Each new centre that we establish increases the number of patient cases treated in our HCG network and our Milann network (as applicable) and contributes to our continued revenue growth. Each new centre goes through an initial ramp-up period during which period the operating expenses of the centre exceeds its revenue resulting in an operating loss. If we establish additional centres through acquisitions, our intangible assets may increase and the resulting amortisation expenses may, to a significant extent, offset the benefit of the increase in revenue generated from centres established through acquisitions. Furthermore, the proposed expansion of our HCG network into Africa may over time increase our capital expenditure and we could become sensitive to the economic conditions, foreign exchange rates, changes in the population, demographics and regulatory environment in Africa. Much of the infrastructure for a new centre must be put in place when a centre commences operations and many operating expenses, including medical consultancy charges and rent are required to be incurred regardless of patient intake, and thus initially, operating expenses will represent a higher percentage of a centre's total revenue until patient volumes reach targeted levels.

Our ability to expand our HCG network and our Milann network depends on a number of factors, such as:

- the success of our business development efforts in identifying suitable partners and executing arrangements with them to establish new centres;
- the reputation of our centres and specialist physicians providing services at our centres;
- our financial resources; and
- our ability to manage our growth and achieve economies of scale, as we grow our business.

In the past, we have discontinued operations of certain of our centres and hospitals, and we may also discontinue operations of additional centres and hospitals in the future. As a result of such discontinuation, we may have to write down the value of our investments in such centres and hospitals, which could adversely impact our results of operations. During Fiscal Year 2014, we discontinued operations of our HCG cancer centre at Erode, Tamil Nadu. Additionally, during Fiscal Year 2015, we discontinued operations of a hospital that we had taken on lease in Bengaluru in April 2014. In both cases, we incurred losses primarily as a result of the write down of leasehold improvements at the centre and the hospital.

As of June 30, 2015, we were in the process of adding 12 new comprehensive cancer centres to our HCG network and were also expanding three of our existing HCG comprehensive cancer centres to add more services and equipment. In addition, we propose to expand our Milann network across India. For further details, see “*Our Business – Our HCG Network of Cancer Centres*” and “*Our Business – Our Milann Network of Fertility Centres*” on pages 153 and 162, respectively. As we expand our HCG network and our Milann network, we expect our operating expenses to continue to increase correspondingly in absolute terms.

The Number of Patient Cases Treated in our HCG Network and our Milann Network

Our revenue from operations is highly dependent on the number of patients who undergo diagnosis and treatment at our HCG cancer centres and our Milann fertility centres, as well as the volume of procedures performed on such patients. The number of patients registering for diagnosis or treatment at a HCG cancer centre or a Milann fertility centre depends, among other things, on:

- the prevalence and incidence of cancer or infertility in the catchment area;

- the degree of competition from other healthcare providers;
- the centre's image and brand reputation relative to the competitors;
- the cost of diagnosis and treatment;
- the type of services and the quality of care offered;
- the clinical reputation of our specialist physicians;
- the empanelment of the centre with various third party payers; and
- referral or recommendation by the patient's physician.

We focus our sales and marketing efforts on increasing referring physicians' awareness of the efficacy of treatments and the advantages of the treatment options available to their patients in our HCG network and our Milann network, through various continuing medical education programmes and other programmes of clinical interest targeting such physicians. We also market our HCG and Milann brands and our capabilities directly to patients through targeted marketing initiatives, including community outreach and awareness programmes, support groups and advertisement campaigns in print, television, outdoor and digital media. We plan to continue our strategy of direct marketing to patients, which could result in a significant increase in our business promotion expenses, without necessarily resulting in a proportionate increase in our revenue.

As of June 30, 2015, our sales and marketing team included 122 full-time employees for our domestic operations and 16 contracted sales and marketing personnel who were engaged pursuant to consultation agreements to promote sales and marketing outside India. During Fiscal Year 2015, we spent ₹139.45 million in business promotion expenses, which consisted primarily of expenditure related to advertisement campaigns in print, television, outdoor and digital media, continuing medical education programmes and events and conferences conducted by us.

During Fiscal Year 2015, we registered 37,458 new patients in our HCG network and 8,027 new patients in our Milann network.

A significant percentage of the new patient registrations in our HCG network are at our centre of excellence in Bengaluru. Our centre of excellence recorded 21.93%, 24.16% and 27.31%, respectively of our HCG network's total new patient registrations during Fiscal Years 2015, 2014 and 2013 and contributed 31.91%, 34.26% and 39.42%, respectively to our revenue from operations for the same period. A decrease in the number of new patients registered at our centre of excellence may reduce our total revenue. With the addition of 12 new comprehensive cancer centres to our HCG network outside Bengaluru, we expect this revenue concentration to decrease over time.

Our Payer Mix

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements. In the case of patients who are beneficiaries of third party payer agreements, all or part of the medical bill is payable by the third party payer as per the terms of the relevant payer agreement. Third party payers include (i) central, state and local government bodies; (ii) private and public insurers, including third party administrators acting on behalf of insurers; and (iii) corporate entities that pay for medical expenses of their employees and in certain cases, their dependents. To be eligible for reimbursement by a third party payer, our centres and hospitals need to be empanelled by the payer, and pursuant to such empanelment, we enter into an agreement with the payer. Each third party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment.

Central government payers include schemes such as the Central Government Health Scheme, which provides lifelong health coverage to all current and former central government employees and their dependents and the Ex-Servicemen Contributory Health Scheme, which covers ex-servicemen pensioners and their dependents. State government payers include schemes such as the Vajpayee Aarogyasri Scheme and the Rajiv Gandhi Aarogyasri Scheme, which provide coverage for patients who are considered "below the poverty line" (such term being defined in the schemes). Several insurance companies are members of GIPSA. GIPSA has negotiated special package rates with healthcare providers across India, including ourselves, for various medical services

provided by us. The terms and conditions of agreements with government bodies and industry associations such as GIPSA are generally non-negotiable.

If the applicable tariffs pursuant to such third party payer agreements are revised downwards, or if the extent of coverage or limits are reduced, or if the payment terms are made longer, or if the reimbursement policies are changed in the agreements with such payers, our revenue and profitability could be adversely affected.

During Fiscal Years 2015, 2014 and 2013, we billed ₹1,779.89 million, ₹1,421.16 million and ₹1,119.82 million, respectively to third party payers which represented 34.27%, 31.49% and 33.10%, respectively of our total revenue from operations. Any non-payment by such third party payers will impact our revenue and profitability. In the past, there have been delays and non-payment by third party payers. As of March 31, 2015, we had outstanding gross receivables amounting to ₹815.71 million from third party payers. We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payer. Provisions for disallowances reduce our revenue from operations and provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

Cost of Consumption

Cost of consumption represents one of our most significant expenses. Consumption represents consumption of drugs and medical and non-medical consumable items that are utilised in the course of our operations, including for diagnosis and treatment of patients. For Fiscal Years 2015, 2014 and 2013, our cost of consumption (comprising our expenses related to purchases of stock-in-trade and changes in inventories of stock-in-trade) formed a substantial part of our expenses and revenue, representing 28.24%, 27.71% and 29.51%, respectively of our total expenses and 27.86%, 29.30% and 30.39%, respectively of our total revenue. We try to reduce our costs of consumption through our efforts in centralising the procurement function by implementing a centralised formulary of drugs and consumables, which allows us to maximise the utilisation of generic and preferred drugs and lower the overall cost of consumption; and by implementing measures to improve our operating efficiencies, including reducing our consumption quantities of disposable items and wastage.

We expect our cost of consumption to increase in absolute terms as we continue to expand our HCG network and our Milann network. We expect that while prices for drugs and consumables will increase in the future, cost of drugs and consumables could potentially decrease as a percentage of our consolidated total expenses and revenue due to the economies of scale and greater bargaining power that comes with a larger network.

Professional Fees Paid to Medical Consultants

Most of the specialist physicians at our HCG cancer centres, our Milann fertility centres, our Triesta central reference laboratory and our multi-speciality hospitals are medical consultants engaged pursuant to medical consultancy contracts. For further details, see, “*Our Business — Specialist Physicians*” on page 168. We pay professional fees to these medical consultants and these are recorded as medical consultancy charges in our financial statements. We expect medical consultancy charges to increase as our patient volumes and revenue from operations increase. Medical consultancy charges paid to our medical consultants constituted a significant portion of our total expenses and revenue, representing 21.05%, 20.02% and 20.02%, respectively of our total expenses and 20.77%, 21.17% and 20.61%, respectively of our total revenue for Fiscal Years 2015, 2014 and 2013.

Our ability to attract and retain specialist physicians is critical to our success. However, we may not always be successful in controlling upward pressure in the amount of professional fees paid to our medical consultants, and we may not be successful in increasing our tariffs in proportion to the increase in such fees, as a result of which, our profitability may decline.

Upward Pressure on Employee Benefits Expense

The healthcare industry is labour intensive and employee benefits expense has generally shown an upward trend in the past. Employee benefits expense constituted a significant portion of our total expenses and revenue, representing 15.76%, 15.94% and 15.24%, respectively of our total expenses and 15.55%, 16.86% and 15.70%, respectively of our total revenue for Fiscal Years 2015, 2014 and 2013.

In the future, we expect our employee benefits expense to increase in absolute terms, as a result of expansion of our HCG and Milann networks, growth in our business and upward pressure on salaries for healthcare

professionals. Our new centres require to be fully staffed even if patient intake has not yet reached target levels. Our employee benefits expense will represent a higher percentage of our revenue in respect of such new centres before they reach maturity. This will decline as patient volumes and manpower utilisation rates increase at our new centres.

Depreciation, Repairs and Maintenance of our Medical Equipment used in our HCG Network

The complex nature of the treatments and procedures we perform at our HCG cancer centres and in particular, at our comprehensive cancer centres, requires us to invest in technologically sophisticated equipment. Such equipment is generally very expensive and purchases of and upgrades to such equipment form a major component of our annual capital expenditure. Medical equipment also forms a substantial part of our fixed assets, which results in significant associated depreciation cost. For Fiscal Years 2015, 2014 and 2013, depreciation and amortisation expenses represented 7.70%, 7.51% and 8.43%, respectively of our total expenses.

We typically receive warranty on our equipment from our medical equipment vendors. If the purchase agreement with the relevant vendor does not specify a warranty period, or upon the expiry of the warranty period, repairs and maintenance are in most cases carried out pursuant to annual maintenance contracts with equipment vendors. Consequently, our repairs and maintenance expenses may increase significantly at the end of such warranty period. As we expand our HCG network and purchase additional equipment, we expect our repairs and maintenance expenses to increase significantly in the future upon such equipment coming out of the warranty period.

In addition, because we are committed to maintaining high standards of care, we continuously upgrade and replace our medical equipment as new technologies become available. Rapid technological changes could make our existing equipment obsolete more quickly than anticipated and increase our expenses, without correspondingly increasing our revenue. Moreover, as a majority of our medical equipment is manufactured outside India, we face foreign exchange risk when we purchase such equipment. However, we believe that our extensive HCG network provides us with increased bargaining power with equipment vendors and lends us competitive advantage in terms of favourable economic terms of purchase and financing of medical equipment.

Our Significant Finance Costs

Our operations and proposed expansions are funded to a large extent by debt and any increase in our interest expense may have an adverse effect on our results of operations and financial condition. As of March 31, 2015, our total principal amount of indebtedness was ₹3,486.68 million and almost all our indebtedness entailed floating interest rates. During Fiscal Year 2015, our total interest cost was ₹321.03 million. Owing to our significant indebtedness, an increase in interest rates is likely to have a significant adverse effect on our interest expenses and consequently, our results of operations.

PRINCIPLES OF CONSOLIDATION

Our consolidated financial statements comprise financial statements of our Company, our Subsidiaries and the Group's share of profit/ loss in its associate companies. These have been consolidated based on the latest available financial statements. The consolidated financial statements have been prepared using uniform accounting policies for similar transactions and other events in similar circumstances, and are presented to the extent possible, in the same manner as our Company's standalone financial statements.

The financial statements of our Subsidiaries and our associate companies used in the consolidation are prepared as of the same reporting dates as that of our Company. The financial statements of our Company and our Subsidiaries have been combined on a line-by-line basis by adding together line items of assets, liabilities, revenue and expenses, after eliminating intra-group balances, intra-group transactions and any resulting unrealised profits or losses, unless costs cannot be recovered. Figures pertaining to the Subsidiaries have been reclassified wherever necessary to bring them in line with our Company's standalone financial statements.

The consolidated financial statements also include the share of profit/ loss of our associate companies, which have been accounted for to the extent of our shareholding in such associate companies, as per Accounting Standard 23 (*Accounting for Investments in Associates in Consolidated Financial Statements*). Accordingly, the share of profit/ loss of each of our associate companies (the loss being restricted to our cost of investment) has been added to/ deducted from the cost of investments. The difference between the cost of investment in the associate company and the share of net assets at the time of acquisition of shares in the associate company is

identified in the consolidated financial statements as goodwill or capital reserve, as applicable.

If our cost of investments in a Subsidiary is more than our value of equity in the Subsidiary at the date on which the investment in the Subsidiary was made, the excess cost is recognised as goodwill and is tested for impairment on an annual basis. Conversely, where our value of equity in a Subsidiary as on the date of investment is more than our cost of investment in the Subsidiary, the excess value is recognised as capital reserve. The goodwill or capital reserve, as applicable is determined separately for each Subsidiary and such amounts are not set off between different consolidated entities.

Minority interest in the net assets of our Subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the Subsidiaries were made and further movements in their equity interest, subsequent to the dates of investments. Net profit/ loss for the year of the Subsidiaries attributable to minority interest is identified and adjusted against the consolidated profit after tax in order to arrive at the income attributable to shareholders of our Company.

SIGNIFICANT ACCOUNTING POLICIES

The following descriptions set forth the significant accounting policies applicable to our consolidated financial statements:

Basis of accounting and use of estimates

The consolidated financial statements of the Group have been prepared in accordance with Indian GAAP, to comply with the Accounting Standards specified under the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on an accrual basis under the historical cost convention (where the historical cost is the original cost of an asset that the buyer paid). The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed during previous years except for the change in BACC Healthcare's accounting policy for depreciation from the written down value method to the straight-line method.

Our management makes estimates and assumptions regarding the amounts of assets and liabilities (including contingent liabilities) and the reported revenue and expenses during the Fiscal Year. Our management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known or materialise.

Fixed assets - tangible and intangible assets

Fixed assets are stated at cost less accumulated depreciation, amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. A qualifying asset takes a substantial period of time to get ready for its intended use or sale, which is generally a period of twelve months unless there is a justification for a shorter or longer period. We have adopted Accounting Standard 11 (*The Effects of Changes in Foreign Exchange Rates*), according to which exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase/ completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for projects are capitalised and the depreciation thereon is included in the project cost till commissioning of the project. Fixed assets retired from active use and held for sale are stated at either their net book value or net realisable value, whichever is lower and are disclosed separately.

Depreciation and amortisation

Depreciation and amortisation have been provided on the straight-line method wherein depreciation and amortisation are computed by dividing the difference between an asset's cost and its expected salvage value by

the number of years it is expected to be used as estimated by our management. Intangible assets are amortised over their estimated useful life which are reviewed at the end of each Fiscal Year and the amortisation amount is revised to reflect the revised useful life. We have adopted the economic life for assets prescribed by the Companies Act and have reassessed the useful life of all our assets, except with respect to linear accelerators, PET-CT scanners, leasehold improvements, assets acquired on finance lease and assets costing less than ₹5,000.00. With respect to linear accelerators, PET-CT scanners, leasehold improvements, assets acquired on finance lease and assets costing less than ₹5,000.00, we have assessed useful life based on technical advice, nature, estimated usage and operating condition of the asset, its past history of replacement, anticipated technological changes, manufacturer warranties and maintenance support, as applicable. Depreciation on fixed assets added or disposed off during the Fiscal Year is provided on a *pro-rata* basis.

Goodwill, such as a non-refundable deposit paid for entering into an operation agreement with our partner to operate a cancer centre and the cost of entering into such operation agreement is amortised over the term of the operation agreement.

Investments

Long-term investments are shown at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are shown at cost or fair value, whichever is lower. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Inventories

Inventories are valued on a first in first out basis at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories includes all charges in bringing the goods to the point of sale, including *octroi* and other levies, transit insurance and receiving charges.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Foreign currency transactions and translations

Foreign currency transactions during the year are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rates on the date of the transaction. Foreign currency monetary items (other than derivative contracts) outstanding at the balance sheet date are restated at the exchange rates prevailing on the last day of the Fiscal Year. Non-monetary items are carried at the historical cost.

Gains or losses arising out of settlement/ restatement for short-term foreign currency monetary items at the year-end are charged to the statement of profit and loss for the Fiscal Year. Gains or losses arising out of settlement/ restatement for long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. See also, “*Management’s Discussion And Analysis Of Financial Condition And Results Of Operations – Significant Accounting Policies – Fixed assets – tangible and intangible assets*” on page 260. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/ up to the date of settlement of such monetary items, whichever is earlier, and charged to the statement of profit and loss for the Fiscal Year. The unamortised exchange difference is reflected in the balance sheet as “foreign currency monetary item translation difference account” net of the tax effect thereon, where applicable.

Premium or discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contracts is recognised as revenue or as expense in the period in which such cancellation or renewal is made.

Revenue recognition

Income from medical services is recognised at the time the services are rendered. Income from sale of drugs and consumables (excluding any sales tax, VAT and any trade discounts or returns we receive) is recognised at the time of their sale.

Revenue from research and development services is recognised proportionately over the period during which the services are rendered as per the terms of the relevant contracts. Other operating revenues are recognised when they accrue.

Other income

Dividend on current investments is recognised at the time of accrual. Profit on sale of current investments is recorded on transfer of title from our Company and is determined as the difference between the sale price and the value of the investment at the time of sale.

Interest income is recognised when accrued, taking into account the amount outstanding and the rate of interest applicable.

Employee benefits

Employee benefits include contribution to provident fund, employee state insurance scheme, gratuity fund and compensated absences.

(i) Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made under the “Employees Provident Fund Scheme 1952” and when services are rendered by the employees.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method (which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation), with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the consolidated statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employees render the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in the case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in the case of non-accumulating compensated absences, when the absences occur.

(iv) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the assets of employee benefit plans out of which the obligations are expected to be settled.

Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs such as loan processing fees incurred and

exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustments to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the consolidated statement of profit and loss over the tenure of the loan. A qualifying asset takes a substantial period of time to get ready for its intended use or sale, which is generally a period of twelve months unless there is justification for a shorter or longer period. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from the commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the consolidated statement of profit and loss during extended periods when active development activities on the qualifying assets is interrupted.

Leases

Assets leased by the entities in the Group in their capacity as a lessee, where substantially all the risks and rewards of ownership vest in the entities in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the fair value or the present value of the minimum lease payments, whichever is lower, and a liability is created for an equivalent amount. Interest expense on the outstanding liability is recognised on the basis of a constant periodic rate of interest.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the consolidated statement of profit and loss on a straight-line basis, pursuant to which the total lease payment over the lease period is amortised equally over the lease period.

Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group at the applicable tax rates and in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the consolidated balance sheet when it is highly probable that such future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation, carry forward of losses and items relating to capital losses, for which deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence, that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date to assess when they can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off.

The Group offsets deferred tax assets and liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves is recognised in reserves and not in the consolidated statement of profit and loss.

Impairment of assets

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists. The following intangible assets are tested for impairment each Fiscal Year even if there is no indication that the asset is impaired: (a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use. If the carrying value of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the consolidated statement of profit and loss. The recoverable amount represents the greater of the net selling price of the assets and their value in use. Value in use is arrived at by discounting the future cash flows to the assets' present value based on an appropriate discount factor. When there is an indication that an impairment loss recognised for an

asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, to the extent the amount was previously charged to the consolidated statement of profit and loss.

Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognised in the financial statements.

See also, “*Financial Statements – Annexure 5: Summary of Significant Accounting Policies and Notes to Accounts*” on page F-12.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

The following descriptions set forth information with respect to the key components of our consolidated financial statements.

Revenue

Revenue from operations

Our revenue from operations comprises income from medical services, income from pharmacy and other operating revenues. Income from medical services comprises income from the delivery of medical services at our HCG cancer centres, our Milann fertility centres and our multi-speciality hospitals, as well as income from reference laboratory and research services provided by Triesta. Income from pharmacy includes income from the consumption of drugs and other medical consumables by patients during the course of treatment. Other operating revenues primarily comprise fees collected for training programmes offered by our Milann fertility centres in fertility medicine and embryology.

Other income

Other income comprises interest income, dividend income, profit on sale of investment such as shares, mutual funds and bonds, liabilities written back and sale of scrap generated in the course of our operations.

Expenses

Our expenses include cost of consumption, employee benefits expense, finance cost, depreciation and amortisation expense and other expenses.

Cost of consumption

Cost of consumption comprises our expenses relating to purchases of stock-in-trade and change in inventories of stock-in-trade and is one of our most significant expenses. Cost of consumption represents consumption of drugs and medical and non-medical consumable items that are utilised in the course of our operations, including for diagnosis and treatment of patients. See also, “*Management’s Discussion And Analysis Of Financial Condition And Results Of Operations – Factors Affecting our Financial Results – Cost of Consumption*” on page 258.

Employee benefits expense

Employee benefits expense consists primarily of salaries and bonus payments, statutory gratuities, leave encashment, contributions to the statutory provident and other funds, expense on employee stock option schemes, staff welfare expenses and staff recruitment and training expenses.

Finance costs

Finance costs consist primarily of interest expenses on loans, interest on capitalised lease obligations and other bank charges.

Depreciation and amortisation expense

Depreciation primarily consists of depreciation on buildings, medical equipment, furniture and fixtures, motor vehicles, computers and office equipment. Amortisation consists of amortisation of intangible assets such as software and goodwill (such as payment made to our partner for securing exclusive rights to operate a cancer centre).

Other expenses

The largest component of other expenses is medical consultancy charges, which comprises professional fees paid to our medical consultants, who are independent contractors, and revenue and profit share paid to our partners at various centres. Apart from this, other significant components of our other expenses include repairs and maintenances expenses, rental expenses, lab charges, power, fuel and water expenses, business promotion expenses, housekeeping expenses and provision for doubtful trade receivables and loans and advances.

Provision for doubtful trade receivables

Based on an assessment of the collection trends in the past, our Company adopted revised norms relating to provision for doubtful trade receivables at the beginning of Fiscal Year 2014. The table below sets out the changes in our norms of provision for doubtful trade receivables.

Category of payers	Age of receivables							
	60 days to 1 year		1 to 2 years		2 to 3 years		Greater than 3 years	
	Old norms	New norms	Old norms	New norms	Old norms	New norms	Old norms	New norms
<i>(Percentage represents provision as a percentage of total trade receivables)</i>								
Patients who pay directly	50.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Government payers	0.00%	0.00%	1.50%	25.00%	1.50%	50.00%	1.50%	100.00%
Other payers ¹	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note:

¹Other payers include (i) private and public insurers, including third party administrators acting on behalf of insurers and (ii) corporate entities that pay for medical expenses of their employees and in certain cases, their dependents.

RESULTS OF OPERATIONS

The following table sets forth certain items derived from our audited restated consolidated financial statements for Fiscal Years 2015, 2014 and 2013, and also expressed as a percentage of total revenue for the years presented.

Particulars	As of the Fiscal Year ended March 31,					
	2015		2014		2013	
	(₹ in millions)	%	(₹ in millions)	%	(₹ in millions)	%
REVENUE						
Revenue from operations						
Income from medical services	3,395.71	64.78	3,009.77	66.10	2,220.97	65.19
Income from pharmacy	1,762.87	33.63	1,477.29	32.45	1,150.78	33.78
Other operating revenues	35.17	0.67	26.28	0.58	11.30	0.33
Total Revenue from Operations	5,193.75	99.08	4,513.34	99.13	3,383.05	99.30
Other income	48.15	0.92	39.72	0.87	23.78	0.70
Total Revenue	5,241.90	100.00	4,553.06	100.00	3,406.83	100.00
EXPENSES						
Purchases of stock-in-trade	1,493.73	28.50	1,354.20	29.74	1,057.85	31.05
(Increase)/ decrease in stock-in-trade	(33.39)	(0.64)	(20.11)	(0.44)	(22.61)	(0.66)

Particulars	As of the Fiscal Year ended March 31,					
	2015		2014		2013	
	(₹ in millions)	%	(₹ in millions)	%	(₹ in millions)	%
Employee benefits expense	815.10	15.55	767.64	16.86	534.73	15.70
Finance costs	342.28	6.53	322.29	7.08	291.78	8.56
Depreciation and amortisation expense	398.25	7.60	361.76	7.95	295.74	8.68
Other expenses	2,155.91	41.13	2,029.17	44.57	1,350.79	39.65
Total Expenses	5,171.88	98.66	4,814.95	105.75	3,508.28	102.98
Profit/ (Loss) before tax and exceptional items	70.02	1.34	(261.89)	(5.75)	(101.45)	(2.98)
EXCEPTIONAL ITEMS						
Effect of increase/ (decrease) in profits						
Net loss relating to hospital unit closed during the year	(42.51)	(0.81)	Nil	Nil	Nil	Nil
Net loss on vacation of leased hospital premises during the year	(3.11)	(0.06)	Nil	Nil	Nil	Nil
Provision for impairment in goodwill	Nil	Nil	(4.63)	(0.10)	Nil	Nil
Total Exceptional Items	(45.62)	(0.87)	(4.63)	(0.10)	Nil	Nil
Profit/ (Loss) before tax	24.40	0.47	(266.52)	(5.85)	(101.45)	(2.98)
TAX EXPENSE						
(a) Current tax expense	35.69	0.68	46.90	1.03	5.42	0.16
(b) (Less): Minimum Alternative Tax credit	Nil	Nil	Nil	Nil	(3.54)	(0.10)
(c) Provision for Minimum Alternative Tax credit entitlement	6.94	0.13	Nil	Nil	Nil	Nil
(d) Deferred tax	(59.46)	(1.13)	6.62	0.15	5.26	0.15
Net tax expense	(16.83)	(0.32)	53.52	1.18	7.14	0.21
Profit/ (Loss) after tax before share of profit/ (loss) of minority interest	41.23	0.79	(320.04)	(7.03)	(108.59)	(3.19)
Share of profit of minority interest	35.77	0.68	35.49	0.78	(3.45)	(0.10)
Net Profit/ (Loss) for the year	5.46	0.10	(355.53)	(7.81)	(105.14)	(3.09)

Fiscal Year 2015 Compared to Fiscal Year 2014

Revenue

Our total revenue increased by ₹688.84 million, or by 15.13%, from ₹4,553.06 million in Fiscal Year 2014 to ₹5,241.90 million in Fiscal Year 2015. This increase was primarily due to an increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by ₹680.41 million, or by 15.08%, from ₹4,513.34 million in Fiscal Year 2014 to ₹5,193.75 million in Fiscal Year 2015. This was primarily due to an increase in our income from medical services and income from pharmacy. During Fiscal Year 2015, new patient registrations in our HCG network increased by 9.07%, from 34,344 in Fiscal Year 2014 to 37,458 in Fiscal Year 2015 which resulted in

an increase in our revenue from operations. In addition, changes in our service mix as a result of higher number of radiation therapies performed during Fiscal Year 2015, as well as an increase in the price of certain services provided to our patients during Fiscal Year 2015 led to a higher average revenue per patient.

Other operating revenues

Our other operating revenues increased by ₹8.89 million, or by 33.83%, from ₹26.28 million in Fiscal Year 2014 to ₹35.17 million in Fiscal Year 2015.

Other income

Our other income increased by ₹8.43 million, or by 21.22%, from ₹39.72 million in Fiscal Year 2014 to ₹48.15 million in Fiscal Year 2015. This increase was primarily due to an increase in interest income (comprising interest on income tax refund and interest income from deposits with banks and other financial institutions) by ₹13.40 million, from ₹18.07 million in Fiscal Year 2014 to ₹31.47 million in Fiscal Year 2015.

Expenses

Our total expenses increased by ₹356.93 million, or by 7.41%, from ₹4,814.95 million in Fiscal Year 2014 to ₹5,171.88 million in Fiscal Year 2015. This increase was primarily due to an increase in our cost of consumption and other expenses.

Cost of consumption

Our cost of consumption related to consumption of drugs, medical and non-medical consumable items increased by ₹126.25 million, or by 9.46%, from ₹1,334.09 million in Fiscal Year 2014 to ₹1,460.34 million in Fiscal Year 2015. Our cost of consumption comprises our expenses related to purchases of stock-in-trade and changes in inventories of stock-in-trade.

Cost of consumption as a percentage of our total revenue decreased from 29.30% in Fiscal Year 2014 to 27.86% in Fiscal Year 2015. This was primarily due to a reduction in our expenses due to the centralisation of our procurement functions through our efforts in implementing a centralised formulary of drugs and consumables.

Employee benefits expense

Our employee benefits expense increased by ₹47.46 million, or by 6.18%, from ₹767.64 million in Fiscal Year 2014 to ₹815.10 million in Fiscal Year 2015. This was primarily due to an increase in the salaries paid to our employees, which was partially offset by (i) the discontinuation of the operations of a hospital that we had taken on lease in Bengaluru, in Fiscal Year 2015; and (ii) certain of our specialist physicians converting their employment contracts to medical consultancy contracts during Fiscal Year 2015.

Our employee benefits expense in Fiscal Year 2014 included an expense amounting to ₹29.74 million related to a hospital that we had taken on lease in Bengaluru, which was subsequently discontinued in Fiscal Year 2015. Employee benefits expense associated with this hospital was recorded under “exceptional items” in Fiscal Year 2015.

Additionally, during Fiscal Year 2015, employment contracts with certain specialist physicians were converted to medical consultancy contracts. As a result, an expense amounting to ₹18.75 million in respect of their remuneration was recorded under “medical consultancy charges” in Fiscal Year 2015.

Finance costs

Our finance costs increased by ₹19.99 million, or by 6.20%, from ₹322.29 million in Fiscal Year 2014 to ₹342.28 million in Fiscal Year 2015. This was primarily due to an increase in our total borrowings (comprising long-term and short-term borrowings) from ₹2,921.40 million in Fiscal Year 2014 to ₹3,486.68 million in Fiscal Year 2015 to fund additional capital expenditure and working capital requirements. This increase was partially offset by a decrease in our average cost of borrowing as a result of reduction of interest rates by our primary lenders.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by ₹36.49 million, or by 10.09%, from ₹361.76 million in Fiscal Year 2014 to ₹398.25 million in Fiscal Year 2015. This was primarily due to an increase in our gross fixed assets by ₹576.13 million primarily on account of purchase of new medical equipment.

Other expenses

Our other expenses increased by ₹126.74 million, or by 6.25%, from ₹2,029.17 million in Fiscal Year 2014 to ₹2,155.91 million in Fiscal Year 2015. This was primarily due to increases in our medical consultancy charges, repairs and maintenance expenses, business promotion expenses, power and fuel expenses, lab charges and housekeeping and security expenses, which were partially offset by a decrease in provision for doubtful trade receivables and loans and advances.

Our medical consultancy charges increased by ₹124.76 million, or by 12.94%, from ₹963.90 million in Fiscal Year 2014 to ₹1,088.66 million in Fiscal Year 2015. Medical consultancy charges represented 20.77% and 21.17% of our total revenue in Fiscal Years 2015 and 2014, respectively. During Fiscal Year 2015, certain specialist physicians transitioned from employment contracts to medical consultancy contracts, resulting in a ₹18.75 million increase in medical consultancy charges and a corresponding decrease in employee benefits expense.

Our repairs and maintenance expenses increased by ₹37.98 million, or by 24.54%, from ₹154.76 million in Fiscal Year 2014 to ₹192.74 million in Fiscal Year 2015. This was primarily due to certain new medical equipment coming out of the warranty period and consequently, being maintained pursuant to annual maintenance contracts.

Our business promotion expenses increased by ₹41.03 million, or by 41.69%, from ₹98.42 million in Fiscal Year 2014 to ₹139.45 million in Fiscal Year 2015 primarily due to an increase in expenses related to advertising in print and television media, continuing medical education programmes provided to referring physicians and other sales promotional activities in our cancer care business.

Our power, fuel and water charges increased by ₹15.98 million, or by 13.67%, from ₹116.92 million in Fiscal Year 2014 to ₹132.90 million in Fiscal Year 2015. This was primarily due to an increase in the usage of power back-ups in some of our centres.

Our lab charges increased by ₹10.92 million, or by 11.03%, from ₹98.96 million in Fiscal Year 2014 to ₹109.88 million in Fiscal Year 2015 primarily due to an increase in lab revenue in line with our increase in revenue from operations.

Our housekeeping and security expenses increased by ₹6.17 million, or by 6.69%, from ₹92.28 million in Fiscal Year 2014 to ₹98.45 million in Fiscal Year 2015 due to addition in some of our existing centres and an increase in housekeeping charges pursuant to the revision of our housekeeping contracts to avail improved services.

Increase in other expenses was partially offset by a decrease in our provision for doubtful trade receivables and loans and advances from ₹153.05 million in Fiscal Year 2014 to ₹25.31 million in Fiscal Year 2015. We changed the norms relating to provisioning for doubtful trade receivables from the start of Fiscal Year 2014 which resulted in a significantly higher provision for doubtful trade receivables in Fiscal Year 2014. See also “*Management’s Discussion And Analysis Of Financial Condition And Results Of Operations – Principal Components of our Statement of Profit and Loss – Provision for doubtful trade receivables*” on page 265.

Profit/ (Loss) before tax and exceptional items

As a result of the foregoing, our profit before tax and exceptional items was ₹70.02 million in Fiscal Year 2015 as compared to a loss before tax and exceptional items amounting to ₹261.89 million in Fiscal Year 2014.

Exceptional items

Our total exceptional items amounted to ₹45.62 million in Fiscal Year 2015 on account of a loss amounting to ₹42.51 million arising from the discontinuation of operations of a hospital that we had taken on lease in Bengaluru and a write down of fixed assets at one of our Milann fertility centres in Bengaluru amounting to ₹3.11 million due to relocation of our centre. Our total exceptional items in Fiscal Year 2014 amounted to ₹4.63 million on account of impairment of goodwill on consolidation as a result of discontinuation of operations of

our HCG cancer centre at Erode, Tamil Nadu.

Tax expense

We recorded a net tax credit amounting to ₹16.83 million in Fiscal Year 2015. This was primarily due to the recognition of deferred tax credit amounting to ₹59.46 million in Fiscal Year 2015. Our net tax expense was ₹53.52 million in Fiscal Year 2014. We recorded a deferred tax expense amounting to ₹6.62 million in Fiscal Year 2014.

Profit/ (Loss) after tax before share of profit/ (loss) of minority interest

As a result of the foregoing, our profit after tax before share of profit/(loss) of minority interest was ₹41.23 million in Fiscal Year 2015 as compared to a loss after tax before share of profit/(loss) of minority interest amounting to ₹320.04 million in Fiscal Year 2014.

Share of profit/ (loss) of minority interest

Minority's share of profit was ₹35.77 million in Fiscal Year 2015 as compared to ₹35.49 million in Fiscal Year 2014.

Net profit/ (loss) for the year

As a result of the foregoing, our net profit for the year was ₹5.46 million in Fiscal Year 2015 as compared to a net loss amounting to ₹355.53 million in Fiscal Year 2014.

Fiscal Year 2014 Compared to Fiscal Year 2013

Revenue

Our total revenue increased by ₹1,146.23 million, or by 33.65%, from ₹3,406.83 million in Fiscal Year 2013 to ₹4,553.06 million in Fiscal Year 2014. This increase was primarily due to an increase in revenue from operations.

Revenue from operations

Our revenue from operations increased by ₹1,130.29 million, or by 33.41%, from ₹3,383.05 million in Fiscal Year 2013 to ₹4,513.34 million in Fiscal Year 2014 primarily due to an increase in income from medical services and income from pharmacy. This was primarily due to a ₹715.06 million increase in revenue from operations of existing centres, as well as an increase in revenue amounting to ₹408.66 million from two acquisitions consummated in March 2013. Revenue from our existing centres increased primarily due to a 20.31% increase in new patient registrations in our HCG network from 28,546 in Fiscal Year 2014 to 34,344 in Fiscal Year 2015. In March 2013, we acquired 50.10% equity interest in BACC Healthcare, which operates the Milann fertility centres, as well as a freestanding diagnostic centre in Chennai along with a cyclotron.

Other operating revenues

Our other operating revenues increased by ₹14.98 million, from ₹11.30 million in Fiscal Year 2013 to ₹26.28 million in Fiscal Year 2014 primarily due to the revenue from training programmes for fertility specialists and embryologists and fellowship programmes conducted at our Milann fertility centres for the full year as compared to only seven days in Fiscal Year 2013.

Other income

Our other income increased by ₹15.94 million, or by 67.03%, from ₹23.78 million in Fiscal Year 2013 to ₹39.72 million in Fiscal Year 2014. This was primarily due to an increase in interest income from deposits with banks and other financial institutions as a result of higher deposits maintained with banks during the period.

Expenses

Our total expenses increased by ₹1,306.67 million, or by 37.25%, from ₹3,508.28 million in Fiscal Year 2013 to ₹4,814.95 million in Fiscal Year 2014. This increase was primarily due to an increase in our cost of consumption, employee benefits expense and other expenses.

Cost of consumption

Our cost of consumption related to consumption of drugs, medical and non-medical consumable items increased by ₹298.85 million, or by 28.87%, from ₹1,035.24 million in Fiscal Year 2013 to ₹1,334.09 million in Fiscal Year 2014. Our cost of consumption comprises our expenses related to purchases of stock-in-trade and changes in inventories of stock-in-trade.

Cost of consumption as a percentage of our total revenue decreased from 30.39% in Fiscal Year 2013 to 29.30% in Fiscal Year 2014. This was primarily due to a reduction in our expenses due to the centralisation of our procurement functions through our efforts in implementing a centralised formulary of drugs and consumables.

Employee benefits expense

Employee benefits expense increased by ₹232.91 million, or by 43.56%, from ₹534.73 million in Fiscal Year 2013 to ₹767.64 million in Fiscal Year 2014 primarily due to increments in staff compensation at our existing centres, the addition of employee benefits expense associated with acquisitions consummated in March 2013, as well as new employees added at a hospital we took on lease in Bengaluru during Fiscal Year 2014 (which was subsequently discontinued in Fiscal Year 2015).

Finance costs

Our finance costs increased by ₹30.51 million, or by 10.46%, from ₹291.78 million in Fiscal Year 2013 to ₹322.29 million in Fiscal Year 2014. This increase was primarily due to an increase in our average borrowings (reflecting the change in our total borrowings at the beginning of a Fiscal Year and at the end of that Fiscal Year) from ₹2,624.14 million for Fiscal Year 2013 to ₹3,000.49 million for Fiscal Year 2014.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹66.02 million, or by 22.32%, from ₹295.74 million in Fiscal Year 2013 to ₹361.76 million in Fiscal Year 2014 primarily due to an increase in our gross fixed assets by ₹449.11 million primarily on account of acquisition of new equipment.

Other expenses

Other expenses increased by ₹678.38 million, or by 50.22%, from ₹1,350.79 million in Fiscal Year 2013 to ₹2,029.17 million in Fiscal Year 2014 primarily due to the addition of other expenses related to Milann fertility centres pursuant to the BACC Healthcare acquisition and commencement of the operations of a hospital we had taken on lease in Bengaluru. Our provision for doubtful trade receivables and loans and advances increased by ₹125.49 million, from ₹27.56 million in Fiscal Year 2013 to ₹153.05 million in Fiscal Year 2014 primarily due to the revised norms relating to provisioning for doubtful trade receivables adopted at the start of Fiscal Year 2014. See also, “*Management’s Discussion And Analysis Of Financial Condition And Results Of Operations – Principal Components of our Statement of Profit and Loss – Provision for doubtful trade receivables*” on page 265.

Profit/ (Loss) before tax and exceptional items

As a result of the foregoing, our loss before tax and exceptional items was ₹261.89 million in Fiscal Year 2014 compared to a loss before tax and exceptional items amounting to ₹101.45 million in Fiscal Year 2013.

Exceptional items

Our total exceptional items amounted to ₹4.63 million in Fiscal Year 2014 on account of the impairment of goodwill on consolidation as a result of discontinuation of operations of our HCG cancer centre at Erode, Tamil Nadu. We did not have any exceptional items in Fiscal Year 2013.

Tax expense

Our net tax expense increased by ₹46.38 million, from ₹7.14 million in Fiscal Year 2013 to ₹53.52 million in Fiscal Year 2014 primarily due to the taxes paid by our subsidiary BACC Healthcare.

Profit/ (Loss) after tax before share of profit/ (loss) of minority interest

As a result of the foregoing, our loss after tax before share of profit/ (loss) of minority interest was ₹320.04 million in Fiscal Year 2014 as compared to a loss after tax, before share of profit/(loss) of minority interest amounting to ₹108.59 million in Fiscal Year 2013.

Share of profit/ (loss) of minority interest

Minority's share of profit was ₹35.49 million in Fiscal Year 2014, primarily due to the profit attributable to the minority shareholder in BACC Healthcare. Minority's share of loss was ₹3.45 million in Fiscal Year 2013 primarily due to the loss arising out of HCG Medi-Surge.

Net profit/ (loss) for the year

As a result of the foregoing, our net loss for the year was ₹355.53 million in Fiscal Year 2014 as compared to a loss amounting to ₹105.14 million in Fiscal Year 2013.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2015, we had cash and cash equivalents amounting to ₹247.52 million. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Our primary liquidity requirements have been to fund our working capital requirement and short-term funding needs. Historically, we have funded our capital requirements through (i) cash from operations; (ii) debt financing through bank loans; and (iii) equity issuances.

Cash Flows

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
	(₹ in millions)		
Net cash flow generated from/(used in) operating activities	596.53	514.22	311.26
Net cash flow generated from/(used in) investing activities	(797.12)	(116.03)	(1,970.13)
Net cash flow generated from/(used in) financing activities	215.64	(268.51)	1,395.96
Cash and cash equivalents at the end of the Year	247.52	223.03	93.35

Cash flow generated from/ (used in) operating activities

For Fiscal Year 2015, we had a profit before tax amounting to ₹24.40 million and our operating profit before working capital changes was ₹763.52 million. Our cash generated from operations after adjusting for changes in working capital was ₹661.82 million. This was primarily on account of an increase in trade receivables by ₹125.20 million which was partially offset by an increase in trade payables by ₹135.06 million; an increase in long-term loans and advances by ₹91.71 million primarily due to security deposits made for our upcoming HCG comprehensive cancer centres and for new premises at our Milann fertility centres; and an increase in our inventories by ₹25.70 million primarily due to an increase in stock of consumables. After adjusting for changes in working capital and a net income tax payment amounting to ₹65.29 million, our net cash flow generated from operating activities was ₹596.53 million for Fiscal Year 2015.

For Fiscal Year 2014, we had a loss before tax amounting to ₹266.54 million and our operating profit before working capital changes was ₹544.56 million. Our cash generated from operations after adjusting for changes in working capital was ₹601.80 million. This was primarily on account of an increase in trade payables by ₹181.63 million in line with an increase in our operations; an increase in trade receivables by ₹74.08 million; and an increase in long-term loans and advances by ₹57.91 million primarily due to security deposits made for our upcoming HCG comprehensive cancer centres at Mumbai, Delhi, Baroda and Gulbarga. After adjusting for our working capital changes and a net income tax payment amounting to ₹87.58 million, our net cash flow generated from operating activities was ₹514.22 million for Fiscal Year 2014.

For Fiscal Year 2013, we had a loss before tax amounting to ₹101.46 million and our operating profit before working capital changes was ₹495.02 million. Our cash generated from operations after adjusting for changes in working capital was ₹386.88 million. This was primarily on account of an increase in trade receivables by

₹193.53 million; and an increase in trade payables by ₹131.17 million. After adjusting for changes in working capital and a net income tax payment amounting to ₹75.62 million, our net cash flow generated from operating activities was ₹311.26 million for Fiscal Year 2013.

Cash flow generated from/ (used in) investing activities

For Fiscal Year 2015, our net cash flow used in investing activities was ₹797.12 million. This reflected capital expenditure on fixed assets including capital advances amounting to ₹801.98 million primarily relating to purchase of medical equipment, expenditure on land and buildings and leasehold improvements and capital work-in-progress in relation to our HCG comprehensive cancer centres under development; investment in subsidiaries amounting to ₹37.88 million; and inter-corporate deposits given amounting to ₹22.16 million. This was partially offset by inter-corporate deposits received back amounting to ₹50.00 million and interest received amounting to ₹31.20 million.

For Fiscal Year 2014, our net cash flow used in investing activities was ₹116.03 million. This reflected proceeds from the sale of mutual fund units amounting to ₹609.13 million. This was partially offset by capital expenditure on fixed assets including capital advances amounting to ₹507.11 million primarily relating to purchase of medical equipment and capital work-in-progress in relation to our HCG comprehensive cancer centres under development; and investment in subsidiaries amounting to ₹150.20 million.

For Fiscal Year 2013, our net cash flow used in investing activities was ₹1,970.13 million. This reflected ₹603.72 million used in purchase of mutual fund units; ₹894.69 million used in capital expenditure on fixed assets including capital advances primarily relating to two new cancer centres, a comprehensive cancer centre and a freestanding diagnostic centre, both in Chennai and payments made for securing exclusive rights to operate a comprehensive cancer centre in Mumbai; and investment in subsidiaries amounting to ₹452.28 million towards partial settlement of consideration payable for the BACC Healthcare acquisition.

Cash flow generated from/ (used in) financing activities

For Fiscal Year 2015, our net cash generated from financing activities was ₹215.64 million. This primarily reflected proceeds from long-term borrowings amounting to ₹620.16 million, proceeds from short-term borrowings amounting to ₹162.73 million and proceeds amounting to ₹100.00 million from the exercise of share warrants in our Company; which were partially offset by repayment of long-term borrowings amounting to ₹335.39 million and finance costs amounting to ₹303.38 million.

For Fiscal Year 2014, our net cash used in financing activities was ₹268.51 million. This primarily reflected repayment of long-term borrowings amounting to ₹756.98 million, finance costs amounting to ₹278.52 million and net decrease in short-term borrowings amounting to ₹250.23 million; which were partially offset by proceeds from long-term borrowings amounting to ₹799.01 million and proceeds amounting to ₹149.99 million from the conversion of partly paid shares into fully paid equity shares in our Company by our investors.

For Fiscal Year 2013, our net cash generated from financing activities was ₹1,395.96 million. This primarily reflected proceeds from long-term borrowings amounting to ₹887.63 million, proceeds from the issue of equity shares in our Company amounting to ₹799.99 million and an increase in short-term borrowings amounting to ₹272.24 million; which were partially offset by finance costs amounting to ₹258.40 million, repayment of long-term borrowings amounting to ₹195.94 million and dividend paid by BACC Healthcare to its minority shareholders (including dividend tax thereon) amounting to ₹119.39 million.

CAPITAL EXPENDITURE

We have invested, in aggregate, ₹801.98 million, ₹507.11 million and ₹894.69 million on capital expenditure in Fiscal Years 2015, 2014 and 2013, respectively. Our historical capital expenditure primarily comprised expenditure on fixed assets, including investments in medical equipment, land and buildings, leasehold improvements, capital work-in-progress and capital advances in relation to our HCG comprehensive cancer centres under development. The following table sets out details of our capital expenditure for Fiscal Years 2015, 2014 and 2013:

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
	(₹ in millions)		
Plant and equipments	286.18	398.41	450.89
Land and buildings	145.95	9.43	143.96

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
	(₹ in millions)		
Leasehold improvements	126.33	17.79	52.78
Intangible assets*	2.54	1.66	196.79
Net increase/ (decrease) in capital work-in-progress	170.21	45.99	14.54
Net increase/(decrease) in capital advances	21.49	(3.85)	2.99
Other assets	49.28	37.68	32.74
Total	801.98	507.11	894.69

Note:

*The capital expenditure for intangible assets during Fiscal Year 2013 primarily related to the payments made for securing exclusive rights to operate a comprehensive cancer centre in Mumbai.

For details of our planned capital expenditure, see “Objects of the Offer” on page 110.

ASSETS

The following table sets out the principal components of our assets as of March 31, 2015, 2014 and 2013.

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
	(₹ in millions)		
Non-current assets			
Fixed assets			
- Tangible assets	4,516.92	4,337.53	4,222.91
- Intangible assets	159.15	175.68	192.73
- Capital work-in-progress	422.38	108.73	62.74
Goodwill on consolidation	608.88	601.98	606.61
Non-current investments	1.21	23.33	2.21
Deferred tax assets (net)	58.79	2.26	11.38
Long-term loans and advances	699.68	492.51	396.14
Other non-current assets	74.93	48.18	47.46
Total non-current assets	6,541.94	5,790.20	5,542.18
Current assets			
Current investments	-	-	603.72
Inventories	145.53	119.83	99.72
Trade receivables	638.09	528.58	601.80
Cash and cash equivalents	269.54	254.77	106.67
Short-term loans and advances	80.49	117.59	66.72
Other current assets	86.10	75.71	69.00
Total current assets	1,219.75	1,096.48	1,547.63
Total assets	7,761.69	6,886.68	7,089.81

We had fixed assets comprising tangible assets, intangible assets and capital work-in-progress amounting to ₹5,098.45 million, ₹4,621.94 million and ₹4,478.38 million as at March 31, 2015, 2014 and 2013, respectively. Our tangible assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures and vehicles. Our intangible assets primarily consist of software and goodwill (such as payment made to our partner for securing exclusive rights to operate a cancer centre).

We had goodwill amounting to ₹608.88 million, ₹601.98 million and ₹606.61 million as at March 31, 2015, 2014 and 2013, respectively. Our goodwill primarily comprises the difference between the amounts paid for equity less the net assets taken over on the acquisitions of our Milann fertility centres and HCG Medi-Surge.

We had outstanding gross trade receivables amounting to ₹877.87 million, ₹752.87 million and ₹682.24 million as at March 31, 2015, 2014 and 2013, respectively. We made provisions for doubtful trade receivables amounting to ₹239.78 million, ₹224.29 million and ₹80.44 million as at the end of Fiscal Years 2015, 2014 and 2013, respectively. Our trade receivables comprise receivables from government payers, corporate bodies, insurers and patients who pay directly to us.

We had long-term loans and advances amounting to ₹699.68 million, ₹492.51 million and ₹396.14 million as at

March 31, 2015, 2014 and 2013, respectively. Our long-term loans and advances primarily comprise capital advances, security deposits for leasehold premises and advance income tax (net of provision for tax).

LIABILITIES AND INDEBTEDNESS

Liabilities

The following table sets forth the principal components of our liabilities as of March 31, 2015, 2014 and 2013.

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
	(₹ in millions)		
Non-current liabilities			
Long-term borrowings	2,802.37	2,518.01	2,393.39
Deferred tax liabilities (net)	5.15	12.07	14.57
Other long-term liabilities	13.69	19.40	130.89
Long-term provisions	22.64	21.87	32.31
Total non-current liabilities	2,843.85	2,571.35	2,571.16
Current liabilities			
Short-term borrowings	292.71	179.98	380.20
Trade payables	832.67	705.35	527.17
Other current liabilities	709.86	582.91	647.06
Short-term provisions	34.73	26.31	4.41
Total current liabilities	1,869.97	1,494.55	1,558.84
Total liabilities	4,713.82	4,065.90	4,130.00

A significant portion of our liabilities comprise long-term borrowings. We had long-term borrowings amounting to ₹2,802.37 million, ₹2,518.01 million and ₹2,393.39 million as at March 31, 2015, 2014 and 2013, respectively.

We had outstanding trade payables amounting to ₹832.67 million, ₹705.35 million and ₹527.16 million as at March 31, 2015, 2014 and 2013, respectively. These primarily comprised payables towards purchase of drugs, consumables, various services including medical consultancy charges, legal and professional fees, housekeeping charges and security charges, and salaries and bonuses of employees.

We had other current liabilities amounting to ₹709.86 million, ₹582.91 million and ₹647.06 million as at March 31, 2015, 2014 and 2013, respectively. These primarily comprised current maturities of long-term debts amounting to ₹391.60 million, ₹223.41 million and ₹305.99 million; and other payables, primarily comprising payables on purchase of fixed assets amounting to ₹60.75 million, ₹148.09 million and ₹33.28 million, and advances from customers amounting to ₹111.82 million, ₹83.52 million and ₹62.88 million as at March 31, 2015, 2014 and 2013, respectively.

Indebtedness

To fund our working capital and capital expenditure requirements, we have entered into various loans and facility agreements with various financial institutions. As of March 31, 2015, we had ₹3,486.68 million of indebtedness outstanding. All of our outstanding indebtedness as of March 31, 2015 was denominated in Indian Rupees except for ₹645.50 million (representing U.S.\$ 10.30 million) in outstanding loans from various equipment vendors which was denominated in U.S. dollars. The interest rates that apply to most of our indebtedness as of March 31, 2015 were floating rates. The maturity dates of the outstanding amount are from August 2015 to September 2038. In addition, the majority of our indebtedness was secured, primarily by the assets that are financed by the respective debt. For a summary of our material indebtedness, see “*Financial Indebtedness*” on page 222.

Although a portion of the proceeds from this Offer will help repay a portion of our existing indebtedness, finance certain centres under development and general corporate purposes, we may incur additional indebtedness in the future to help finance our expansion plans, which would increase our finance costs.

The following table sets out our consolidated borrowings as of March 31, 2015, 2014 and 2013.

Particulars	As of the Fiscal Year ended March 31,		
	2015	2014	2013
	(₹ in millions)		
Secured loans			
Term loans from banks	1,757.05	1,336.78	1,430.81
Term loans from other parties	134.56	180.71	226.81
Vehicle loans	4.10	0.94	-
Working capital loans	292.71	127.78	317.51
Total secured loans	2,188.42	1,646.21	1,975.13
Unsecured loans			
Term loans from other parties	6.41	8.60	8.50
Long-term maturities of finance lease obligations	649.10	663.09	672.21
Deferred payment liabilities	642.75	553.50	423.74
Inter-corporate deposits	-	50.00	-
Total unsecured loans	1,298.26	1,275.19	1,104.45
Total borrowings	3,486.68	2,921.40	3,079.58
Total borrowings represented by:			
Long-term borrowings	2,802.37	2,518.01	2,393.39
Short-term borrowings	292.71	179.98	380.20
Current maturities of long-term borrowings (included in other-current liabilities)	391.60	223.41	305.99
Total	3,486.68	2,921.40	3,079.58

CONTRACTUAL OBLIGATIONS

The following table sets out our contractual obligations and commitments to make future payments as of March 31, 2015:

Contractual Obligations and Commitments	Payment Due by Period			
	Less than 1 year	1-5 years	More than 5 years	Total
	(₹ in millions)			
Borrowings	391.60	1,665.26	1,429.82	3,486.68
Trade payables	832.67	-	-	832.67
Non-cancellable operating lease obligations	121.21	516.26	763.61	1,401.08
Total	1,345.48	2,181.52	2,193.43	5,720.43

Our total capital commitments as of March 31, 2015 were ₹1,877.80 million, which are due either in stages or on a milestone basis.

CONTINGENT LIABILITIES

Apart from the contingent liabilities set out in our financial statements, we do not have any other contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

Except for the contingent liabilities set out in our financial statements, we do not have any off-balance sheet arrangements, derivative contracts, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see “Financial Statements” on page F-1.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate risk relates primarily to our debt. Our long-term rupee-denominated debts, which bear interest at floating rates linked with prime lending rates of the respective lenders, as determined from time to time, are subject to fluctuations in interest rates, which could increase the amount of interest payable by us under our debt obligations and could make it difficult for us to procure new debt on attractive terms.

Credit Risk

Credit risk is the risk of a financial loss to us if a payer fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from payers. Our management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on major payers requiring credit over a certain amount. We do not grant credit to patients who pay directly to us, without prior approval by appropriate authority. Patients who pay directly to us are requested to place an initial deposit at the time of admission to our centres and hospitals. An additional deposit is requested from such patients when the charges exceed a certain level.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables, loans and borrowings. We maintain a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due.

Foreign exchange risk

Substantially all of our revenue and our expenditure are denominated in Indian Rupees. However, the price of medical equipment, as well as medical and non-medical consumable items that we purchase from foreign manufacturers is denominated in U.S. dollars. We pay for such equipment and consumables either in Indian Rupees through our banks either by converting the amount into a term loan or in U.S. dollars through an external commercial borrowing. As a result, fluctuations in the exchange rate between the U.S. dollar and Indian Rupees will affect the cost of such medical equipment and consumables to us and will affect our financial condition. The Indian Rupees' exchange rate with the U.S. dollar and other currencies is affected by, among other things, changes in India's political and economic conditions. See also, *“Risk Factors — Our business may be adversely affected by fluctuations in the value of Indian Rupees as a significant portion of our capital expenditure relates to the purchase of medical equipment and consumables priced in U.S. dollars. Going forward, we will also incur revenue and expenditure in currencies other than Indian Rupees, as a result of which, any volatility of Indian Rupees against such foreign currencies may affect our results of operations and cash flows.”* on page 29. Any significant revaluation of the Indian Rupees may materially and adversely affect our cash flows, revenue, earnings and financial position, and the value of, and any dividends payable in U.S. dollars. Our company and our Indian subsidiaries have determined their functional currencies to be Indian Rupees. We use Indian Rupees as our reporting currency.

Inflation

In recent years, India has experienced fluctuations in inflation rates. Inflation has had an impact on our business and results of operations, primarily on our cost of medical equipment and drugs and consumables. See also, *“Risk Factors – Inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition”* on page 35.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2015, THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

No circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus, which may materially and adversely affect or are likely to affect, our revenue and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, (i) there are no winding up petitions, outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, our LLPs, our Directors or any other company where the outcome could have a materially adverse effect on the business, consolidated results of operations or financial position of our Company; (ii) there are no defaults including non-payment or overdue of statutory dues, overdues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debt instrument, fixed deposits or arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company except as stated below; (iii) there is no disciplinary action that has been taken by SEBI or any stock exchange against our Company, our Subsidiaries, our Directors or our Promoters; (iv) there are no pending litigations or defaults in respect of our Group Entities with which our Promoters were associated in the past but are no longer associated; (v) there are no litigation proceedings, defaults, overdues, labour problems or closures that were faced or are being faced by our Company, our Subsidiaries, our LLPs, or our Group Entities; (vi) there is no litigation against our Directors or our Promoters involving violation of statutory regulations or alleging criminal offence; (vii) there is no criminal/civil prosecution against our Directors in respect of tax liabilities; (viii) there are no pending proceedings initiated for economic offences against our Company, our Subsidiaries, our Directors, our Promoters or our Group Entities; (ix) there is no adverse finding in respect of our Company, our Subsidiaries, our Promoters or our Group Entities and persons or entities connected with our Company, our Subsidiaries, our Promoters or our Group Entities as regards compliance with the securities laws; (x) there is no past case in which penalty was imposed by the relevant authorities on our Company, our Subsidiaries or our Directors, our Promoters or our Group Entities; and (xi) there is no outstanding litigation or default relating to matters likely to affect the operations and finances of our Company and our Subsidiaries, including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013.

Litigation involving our Promoters

I. Litigation against our Promoters

A. Criminal Proceedings

1. A complaint has been filed before the Station House Officer, Lakshmipuram Police Station, Mysuru, by the head constable attached to the police station alleging that our Promoter, Dr. BS Ajai Kumar and another person used criminal force and deterred the constable from discharging his duties during a public event at the Maharaja College grounds, Mysuru. A charge sheet was prepared charging our Promoter with offences punishable under Section 353 and Section 506 read with Section 34 of the Indian Penal Code, 1860. The jurisdictional magistrate had taken cognizance of the offences in the charge sheet by his order dated December 14, 2007. The High Court of Karnataka by its order dated August 30, 2013 has quashed the order of the magistrate on the grounds that the magistrate had not applied his judicious mind and has directed the magistrate to re-do the whole process from the stage of taking cognizance. The matter is currently pending.
2. A complaint has been filed before the Station House Officer, Cubbon Park Police Station, Bengaluru by a patient treated by our Promoter, Dr. Ganesh Nayak accusing Dr. Ganesh Nayak of improper conduct during a medical examination. A case has been registered against our Promoter for offences punishable under Sections 376(2)(e) and 376(2)(k) of the Indian Penal Code, 1860. By its order dated June 12, 2015 the Additional City Civil and Sessions Judge, Bengaluru has granted our Promoter anticipatory bail in the matter. The matter is currently pending.

B. Civil Proceedings

1. V Shamanna, the husband of a patient treated by our Promoter, Dr. Ganesh Nayak had filed a complaint before the Karnataka Medical Council alleging that the death of the patient was caused due to negligence on the part of our Promoter. The Karnataka Medical Council passed an order dated May

7, 2009 concluding that our Promoter was negligent and issued a warning. Our Promoter has filed a writ petition before the High Court of Karnataka challenging the order of the Karnataka Medical Council on the grounds that the order is arbitrary, perverse and suffers from non-application of mind. Through its order dated August 11, 2009, the High Court of Karnataka has stayed the order of the Karnataka Medical Council. The matter is currently pending.

2. Komala Choudhary and Rukmani Raghavan, daughters of a patient treated by a group of doctors, including our Promoter, Dr. Ganesh Nayak had filed a case before the Additional Bangalore Urban District Consumer Disputes Redressal Forum, Bengaluru. Our Promoter, Dr. Ganesh Nayak has been named as the fifth respondent in the case. The complainant has alleged that the death of the patient was caused due to negligent advice provided by a group of doctors including our Promoter and have sought compensation of ₹1.70 million from the respondents. By its order dated April 28, 2010, the Additional Bangalore Urban District Consumer Disputes Redressal Forum, Bengaluru dismissed the petition. The petitioners filed an appeal before the Karnataka State Consumer Disputes Redressal Commission, Bengaluru. The appeal was dismissed by order dated June 3, 2010. The petitioners have filed a revision petition before the National Consumer Disputes Redressal Commission seeking to reverse the orders of the Karnataka State Consumer Disputes Redressal Commission, Bengaluru and the the Additional Bangalore Urban District Consumer Disputes Redressal Forum, Bengaluru. The revision petition was dismissed for non-appearance of the petitioners. The petitioners thereafter filed a restoration application which has been accepted. The matter is currently pending.

C. Tax Proceedings

1. Our Company has received a show cause notice from the Office of the Commissioner of Central Excise, Bengaluru dated October 31, 2014. We have been asked to show cause as to why action should not be taken against us for manufacturing and clearing 'FDG-18', a radio isotope which is an excisable good without taking registration from the Central Excise Department and without payment of central excise duty. By the same show cause notice, our Promoter, Dr. BS Ajai Kumar has also been asked to show cause as to why he should not be individually penalised for the lapses since he was in full control of the activities of our Company. We have acknowledged the receipt of the show cause notice and sought time from the Commissioner of Central Excise to put forth our detailed submissions. The matter is currently pending.

Litigation involving our Directors

I. Litigation against our Directors

A. Criminal Proceedings

1. The Deputy Chief Labour Commissioner served a notice and subsequently filed a criminal complaint in 2011 on a company and Mr. Shanker Annaswamy who then was the managing director of that company (since retired for more than a year). The matter relates to alleged non compliances by the company with respect to certain provisions of the Contract Labour (Regulations and Abolitions) Act, 1970, such as maintenance of records, display of notices. The company believes that it has not violated any of the provisions of the law and the matter is being contested. The matter is pending before the Court of Metropolitan Magistrate, Bhoiwada, Dadar since July 2011.

For details of litigation pending against our Promoter, Dr. BS Ajai Kumar, see "*Outstanding Litigation and Material Developments – Litigation Involving our Promoters*" on page 277.

II. Litigation by our Directors

A. Criminal Proceedings

1. Our Director, ST Ramesh, has filed a criminal complaint before the Court of the Chief Metropolitan Magistrate, Bengaluru against the editor of a fortnightly publication and other individuals. It has been alleged that the accused had published an interview with a government servant who was dismissed from services at the FSL Laboratory in Bengaluru and that the interview had defamed our Director. Our Director has sought that the court take cognizance of the matter and take appropriate action against the accused. The matter is currently pending.

Litigation involving our Company

III. *Litigation against our Company*

A. *Criminal Proceedings*

1. Our HCG MSR Cancer Centre has received a notice from the Victoria Hospital Police Station, Bengaluru alleging that an individual's email account was hacked using our IP address. We have been asked to provide the investigating officer with details of persons accessing our IP address during a particular period of time. The matter is currently pending.

B. *Civil Proceedings*

1. Hiremath Hospitals Private Limited has filed an appeal before the High Court of Karnataka challenging the order of the Principal City Civil and Sessions Judge dated January 14, 2015. Our Company had executed a memorandum of understanding on June 16, 2014 with the appellant in this case, pursuant to which, our Company had appointed the appellant to render medical services at our hospital situated at Magadi Main Road, Agrahara, Dasarahalli, Bengaluru. Our Company terminated the memorandum of understanding for non payment of the deposit by the appellant as per the memorandum of understanding. The applicant sought to invoke the arbitration clause under the memorandum of understanding stating that the parties had subsequently agreed to defer the payment of the deposit and that the appellant had gone ahead and performed his other obligations under the memorandum of understanding and incurred significant costs in this regard. The applicant also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the Principal City Civil and Sessions Judge, Bengaluru, Karnataka seeking a temporary injunction restraining our Company from disposing, alienating and/or destroying machines, medicines, records, registers and equipment present at our hospital premises located at Dasarahalli, Bengaluru which was dismissed. Further, the Additional City Civil and Sessions Judge, Bengaluru rejected the demand for an injunction. The appellant has challenged the order of the lower court on the grounds that the court had failed to appreciate the irreparable damage that would be caused to the appellant if the restraining order is not granted. The matter is currently pending.
2. Mr. PS Venkatachala, a patient who underwent treatment at our hospital had filed a petition before the District Consumer Forum alleging deficiency of service by our Company and New India Assurance Company Limited. It was his contention that he had taken a medi claim policy of ₹0.20 million from New India Assurance Company Limited. He was treated at our hospital and sought reimbursement of his medical expenses aggregating to ₹0.15 million from the insurer. The insurer contended that the ailment was pre-existing and since the same was not disclosed at the time of obtaining the policy, his claim was rejected. The court held that there was deficiency of service by the insurer and allowed the complaint. The New India Assurance Company Limited has filed an appeal before the Karnataka State Consumer Disputes Redressal Commission, Bengaluru against the order of the III Additional District Consumer Disputes Redressal Forum, Bengaluru which directed the appellant to pay compensation to the complainant and we have been named as respondents in the matter. The matter is currently pending.
3. Mr. Venkatesh, the husband of one of our patients has filed a complaint against our Company and two other hospitals before the Karnataka Medical Council. The patient had undergone surgery at a different hospital and was referred to our hospital for certain scans and procedures. It has been alleged that during the surgical procedure conducted at a different hospital, surgical gauge was negligently left inside the patient and the same was not detected by our doctors. The complainant has sought that a case of medical negligence be made out against all the respondents. The matter is currently pending.
4. Mr. Swarna Kamal, a relative of one of our patients has filed a complaint against our Company and Axis Fortification Private Limited, the security agency appointed by our Company, before the Additional District Consumer Redressal Forum at Bengaluru. It has been alleged that the complainant's car was stolen while the car was handed over to the security agency for valet parking when the complainant visited the hospital. The complainant has sought ₹0.93 million for the loss of his car. By its order dated September 5, 2013, the Additional District Consumer Redressal Forum at Bengaluru awarded a compensation of ₹0.15 million to be paid to the complainant. Axis Fortification Private Limited, has filed an appeal against the order of the Additional District Consumer Redressal Forum before the Karnataka State Consumer Disputes Redressal Commission contending that the agency is

not responsible for the parking facility and our Company, alone should bear responsibility for the theft of the car. The matter is currently pending.

5. Our Company has received a notice dated February 5, 2015 from Dr. Balabhai Nanavati Hospital alleging defaults in respect of certain provisions of the operations agreement dated May 14, 2012 entered into between our Company and Dr. Balabhai Nanavati Hospital. It has been alleged that we have failed to maintain the necessary approvals required to be maintained by us to operate the oncology centre at Dr. Balabhai Nanavati Hospital and that the AERB in its inspection report dated January 5, 2015 has notified several non-compliances committed by our Company. It has also been alleged that we have defaulted on our obligations by not entering into a separate agreement with the hospital to identify a dedicated operation theatre for use by the oncology centre, failing to maintain requisite safety measures and by failing to keep Dr. Balabhai Nanavati Hospital informed about the circumstances which would adversely affect the oncology centre. We have been asked to remedy the alleged defaults within a period of 90 days from the date of the notice failing which Dr. Balabhai Nanavati Hospital has sought to terminate the agreement. We have responded to the notice by letter dated February 25, 2015 and denied the allegations. We have clarified that the AERB is required to periodically examine compliance with its regulations and that as per the notice received from the AERB, we were provided 30 days to adopt corrective measures and we had complied with the same. We have also pointed out that it is in fact Dr. Balabhai Nanavati Hospital that has breached the terms of the agreement by obstructing us from expanding and renovating the centre, altering the honorarium of doctors without our consent and by assigning its rights to a third party without requiring such third party to sign a deed of adherence as per the terms of the agreement. We have provided Dr. Balabhai Nanavati Hospital with a period of 21 days to rectify the defaults, failing which we have informed Dr. Balabhai Nanavati Hospital that we will initiate appropriate legal proceedings. We have received a reply dated May 16, 2015 denying our contentions and have responded by way of letter dated June 9, 2015. The matter has been referred to arbitration and pursuant to the order of the High Court of Judicature at Bombay dated June 22, 2015, the arbitrators have been appointed.
6. Invent Office Needs has filed a suit before the City Civil Judge, Bengaluru against our Company seeking payment of ₹0.74 million along with interest at the rate of 24% per annum from our Company. The petitioner has alleged that our Company has received day to day consumables, stationery, computer items and other items on credit and not discharged the due amounts. Our Company has filed a reply denying the claims made by the petitioner. The matter is currently pending.

C. Notices

1. Our Company has received a notice dated June 6, 2015 from Badrinath, a patient who was treated at our Hospital. It has been alleged that the complainant was misdiagnosed at our hospital and that unnecessary procedures were advised. A sum of ₹1.8 million has been sought as compensation for the treatment. We are yet to respond to the notice.
2. Our Company received a notice dated June 17, 2015 from the Advertising Standards Council of India stating that they have received a complaint from Dr. Surya Kanta Acharya alleging that his name still appears on the board of our hospital in Vijaywada even after he has resigned from our hospital. We have replied to the notice by stating that the non-compliance was due to oversight and have sought to be excused.

D. Tax Proceedings

1. Our Company has received a show cause notice from the Office of the Commissioner of Central Excise dated October 30, 2014. We have been asked to show cause as to why action should not be taken against us for manufacturing and clearing 'FDG-18' a radio isotope, which is an excisable good without taking registration from the Central Excise Department and without payment of central excise duty. The notice states that we are required to pay a sum of ₹15.08 million along with applicable interest as excise duty for the period between November 1, 2009 to March 31, 2014. We have also been asked to show cause as to why the 'FDG-18' produced by us should not be confiscated. It has also been contended that our Company suppressed the facts and attempted to evade payment of duty and therefore the notice states that we are liable for the payment of penalty. By the same show cause notice, our Promoter, Dr. B. S. Ajai Kumar has also been asked to show cause as to why he should not be individually penalised for the lapses since he was in full control of the activities of our Company. We

have acknowledged the receipt of the show cause notice and sought time from the Commissioner of Central Excise to put forth our detailed submissions. The matter is currently pending.

2. Our Company has received notices of demand from the Assessing Officer, Deputy Commissioner of Income Tax under Section 156 of the IT Act for assessment years 2011 – 2012 and 2012 – 2013 raising tax and interest demand aggregating to ₹16.25 million for assessment year 2011 – 2012 and ₹19.57 million for assessment year 2012 – 2013. The demand notices relate to tax deducted at source for our fixed pay consultants. The Assistant Commissioner of Income Tax, Bengaluru has held by its order dated June 13, 2013 that there exists an employee-employer relationship between our fixed pay consultants and our Company and that their income would be treated as salary and tax should be deducted under the provisions of Section 192 of the IT Act and not under Section 194J of the IT Act. On July 2, 2013, we filed a writ petition before the High Court of Karnataka challenging the order of the Assistant Commissioner of Income Tax. By its order dated July 24, 2013, the High Court of Karnataka has quashed the order of the Assistant Commissioner of Income Tax directing the Income Tax Officer to frame it afresh. The Deputy Commissioner of Income Tax, Bengaluru considered the case afresh and passed the order as above. We have filed an appeal against the order of the Deputy Commissioner of Income Tax before the Commissioner of Income Tax (Appeals) and a writ petition before the Karnataka High Court. By its order dated July 16, 2014, the High Court of Karnataka dismissed the appeal. We have paid 50% of the demanded amount and requested the authorities to keep the remaining tax demand in abeyance until the matter is disposed off before the Commissioner of Income Tax (Appeals). Further, the Assessing Officer, Deputy Commissioner of Income Tax has issued a notice for financial years 2012 – 2013 and 2013 – 2014 asking us to show cause as to why action should not be taken against our Company, for short deduction of tax. We have replied to the notice by letter dated May 27, 2014 and sought that the notices be kept in abeyance until our appeal before the Commissioner of Income Tax (Appeals) is disposed off. The matter is currently pending.
3. Our Company filed its return of income for assessment year 2008 – 2009 declaring a loss of ₹92.67 million, subsequent to which the Deputy Commissioner of Income Tax, Bengaluru passed an assessment order for assessment year 2008 – 2009, on a total loss of ₹66.65 million as against a loss of ₹92.67 million declared by our Company. Legal and professional charges amounting to ₹20.16 million and interest payment of ₹5.86 million were disallowed in computing the total losses. It was contended that the legal and professional charges stated by our Company were excessive and disproportionate, further, it was also contended that since our Company was making losses, there was no justification for our Company making interest free advances and therefore the interest payment was disallowed. We preferred an appeal against the assessment order and by its order dated January 31, 2012, the Commissioner of Income Tax (Appeals), ruled in our favour and deleted the disallowance of ₹5.86 million and granted us a relief of ₹18.94 million in respect of the legal and professional charges. The revenue authorities appealed this decision and by its order dated January 18, 2013, the Income Tax Appellate Tribunal partially set aside the order of the Commissioner of Income Tax (Appeals) and remanded the issue of disallowing legal and professional charges amounting to ₹20.16 million to the assessing officer for fresh consideration. However, the tribunal upheld the order of the Commissioner of Income Tax (Appeals) deleting the disallowance of ₹5.86 million as interest payment. The Commissioner of Income Tax has preferred an appeal against the order of the tribunal before the High Court of Karnataka and has sought that the order of the tribunal be set aside and that the order of the Deputy Commissioner of Income Tax be confirmed. The matter is currently pending.
4. Our Company filed its return of income for assessment year 2009 – 2010 declaring a loss of ₹136.83 million, subsequent to which the Joint Commissioner of Income Tax, Bengaluru, passed an assessment order for assessment year 2009 – 2010, on a total loss of ₹129.78 million as against a loss of ₹136.83 declared by our Company. It has been contended that ₹2.50 million claimed as professional charges is not allowable as it is capital in nature being directly related to investments made in our Company. Further, ₹0.20 million was disallowed as interest payment on the ground that amounts advanced to related parties was not justifiable since our Company was loss making. Further, set-off and carry forward losses were disallowed. ₹2.86 million was disallowed since our Company had made investments in shares of our Subsidiaries. We have preferred an appeal before the Commissioner of Income Tax (Appeals). The matter is currently pending.
5. Our Company filed its return of income for assessment year 2010 – 2011 declaring a loss of ₹169.91 million, subsequent to which the Additional Commissioner of Income Tax, Bengaluru, passed an assessment order for assessment year 2010 – 2011, on a total loss of ₹157.71 million as against a loss of ₹169.91 million declared by our Company. It has been contended that ₹6.19 million incurred as

interest charges was ineligible as expenditure claim. Further, it has been contended that our claim of no expenses having been incurred for earning exempt income is false. It has been stated that since our Company earned a large amount of exempt income, certain expenditure should have been made in channelizing the investments. As such estimated expenditure computed at the rate of 0.50% of the average investments aggregating to ₹3.12 million was added back to the returned income. Further, depreciation loss of ₹38.24 million of BMORCL was said to be ineligible to be brought forward and ₹2.87 million was added back to the returned as part of rent equalization reserve. We have preferred an appeal against the assessment order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

6. Our Company filed its return of income for assessment year 2011 – 2012 declaring a loss of ₹91.64 million, subsequent to which the Deputy Commissioner of Income Tax, Bengaluru, passed an assessment order for assessment year 2011 – 2012, on a total loss of ₹89.69 million as against a loss of ₹91.64 million declared by our Company and has assessed our tax payable as ₹3.73 million. ₹1.95 million was disallowed on the grounds that this was expenditure incurred in relation to exempt income. We have preferred an appeal against the assessment order before the Commissioner of Income Tax (Appeals). The matter is currently pending.
7. Our Company has filed a return of income for assessment year 2012 – 2013 declaring a loss of ₹106.74 million, and a revised return declaring a loss of ₹107.30 million subsequent to which the assessment officer passed an assessment order for assessment year 2012 – 2013, on a total loss of ₹87.44 million as against a loss of ₹107.30 million declared by our Company by disallowing losses aggregating to ₹19.29 million which include foreign exchange losses, dividend income from investments in mutual funds and credit for TDS. We have preferred an appeal against the assessment order before the Commissioner of Income Tax (Appeals). The matter is currently pending.
8. HCG Vijay, which has since merged with our Company received an assessment order of value added tax dated November 20, 2014 pursuant to which the Commercial Tax Department has stated that input and output tax would be chargeable on medicated oxygen and diet food that HCG Vijay procures from suppliers and provides to its patients. A total demand of ₹2 million has been made towards turnover relating to diet supply to Arogyasri patients, turnover relating to medicated oxygen, turnover relating to suppression of purchase turnover and turnover relating to suppression of sale turnover. Out of this an amount of ₹1.98 million is disputed by HCG Vijay. HCG Vijay has contended that since it does not charge the patients under the Arogyasri Scheme for the diet food supplied, such food should not be eligible for levy of value added tax. The Deputy Commercial Tax Officer has ordered that the total tax demand be paid. HCG Vijay has filed a writ petition before the High Court of Judicature at Hyderabad seeking a writ of mandamus declaring the action of the Commercial Tax Department in levying the tax illegal and arbitrary. The High Court of Judicature at Hyderabad has granted an interim stay on levy of tax until the writ petition pending before it dealing with the same subject matter is disposed off and sought that we deposit ₹0.40 million. However, the Commercial Tax Department has issued an order levying a penalty of ₹0.49 million. HCG Vijay has preferred an appeal against this order.
9. Our Company has received a notice under Section 142 read with Section 143(1) of the IT Act. Our Company has been asked to submit additional documents with respect to assessment for assessment year 2013 - 2014. We have submitted the initial documents. The matter is currently pending.

IV. ***Litigation by our Company***

A. ***Criminal Proceedings***

1. Our Company has filed a complaint before the Court of the Additional Metropolitan Magistrate, Bengaluru against Hiremath Hospitals Private Limited and Dr. Vishwanath Hiremath under Section 200 of the Code of Criminal Procedure, 1973 and Sections 138 to 142 of the Negotiable Instruments Act, 1881. As described above, our Company and the accused in this case had entered into a memorandum of understanding pursuant to which, the accused was appointed to render medical services at our hospital in Dasarahalli, Bengaluru. Pursuant to the terms of the memorandum of understanding, the accused was supposed to pay our Company a security deposit of ₹5 million. The accused had issued cheques in favour of our Company to pay the security deposit. The cheques were returned for insufficient funds. We subsequently served a statutory notice on the accused and provided them with 15 days for payment of the security deposit. Since the money was not paid even after serving the notice, we sought the intervention of the court in this matter. The matter is currently pending.

2. Our Company has filed a complaint before the Court of the Additional Metropolitan Magistrate, Bengaluru against Nandhini K., under Section 200 of the Code of Criminal Procedure, 1973. Our Chairman and Chief Executive Officer, Dr. BS Ajai Kumar has received an anonymous defamatory email, intimidating our Company. Since the Sampangiramanagar Police Station has refused to register our complaint against the accused, we have sought the intervention of the court to refer the matter to the Deputy Superintendent of Police, Cyber Crime Police Station, Bengaluru. The matter is currently pending.
3. Our Company has filed a complaint with the Commissioner of Police, Bengaluru against our former employees Gijabai, Roopa R, Lavina and Vinutha for misappropriation of funds. Pursuant to our routine audit, it has come to light that the accused were accepting cash from patients but wrongly recording that the bills were to for credit from insurance companies. Further, the accused employees have been accepting cash from patients without issuing receipts. We have sought that the Commissioner of Police initiate an enquiry, register a complaint and recover the money aggregating to ₹0.25 million. The matter is currently pending.
4. Our Company has filed a complaint with the Sampangi Ramanagar Police Station, Bengaluru against our former employee Chetan for misappropriation of ₹0.11 million. We have sought that an enquiry be initiated and the money be recovered. The accused has accepted the fact that the money was misappropriated. The matter is currently pending.
5. Our Company has filed a complaint with the Inspector of Police, Sampangiramanagar Police Station, Bengaluru against Mohan V, who has forged and encashed a cheque for ₹0.55 million issued by our Company in favour of one of our landlords. We have sought that an enquiry be conducted in the matter and a case be registered against the accused. The matter is currently pending.

B. Civil Proceedings

1. Our Company has filed a complaint before the Additional Registrar of Enquiries, Karnataka Lokayukta at Bengaluru against the Commissioner of the Bengaluru Development Authority. BMORCL, which was subsequently amalgamated with our Company, was allotted for lease, a site measuring 3,278 square meters at Kenchenahalli, Bengaluru for the purpose of building a hospital through notification dated April 27, 1993. Consequently a lease deed dated July 12, 1994 was executed between our Company and the Bengaluru Development Authority granting the schedule property on lease for a term of 30 years. Possession of the property was handed over to our Company on September 14, 1994. The lease granted to us was opposed by the Banashankari Welfare Association and the Vasavi Jnanapeeta and others through separate petitions which were dismissed by the courts. The Bengaluru Development Authority cancelled the lease granted to our Company by its order dated March 23, 2011. The cancellation was challenged before the High Court of Karnataka, which directed the Bengaluru Development Authority to follow the principles of natural justice. Thereafter, the Bengaluru Development Authority proposed to allot an alternative site to our Company through its notice dated March 16, 2012. Our Company was subsequently allotted 4,000 square meters of land at Anjanapura Township, Bengaluru and a fresh letter of allotment dated January 3, 2014 was issued to us. However, the possession of the property was not provided to us. We have therefore sought that the Lokayukta, Bengaluru direct the Bengaluru Development Authority to either execute a fresh lease and provide possession of the property situated at Kenchenahalli, Bengaluru or execute a fresh lease for any other site and provide possession of the same within a month. The matter is still pending. In connection with the same dispute, our Company has also filed a writ petition before the High Court of Karnataka and has sought that a writ of mandamus be issued directing the Bengaluru Development Authority to either execute a fresh lease deed in respect of the property situate at Kenchenahalli, Bengaluru or execute a fresh lease deed in favour of our Company for the site at Anjanapur. The matter is currently pending.
2. Our Company has filed a petition before the City Civil Court, Bengaluru seeking an order directing the payment of sums due from our former employee, Mr. Rakesh Walia who was employed as the general manager, Triesta Sciences. The respondent in this case failed to provide us with the required notice as per the terms of his appointment and is therefore liable to pay us ₹0.43 million. Further, the respondent has authorised routine tests to be conducted on his family members and is required to pay us ₹8,405 in this regard. We had issued a legal notice to the respondent but did not receive a response. We therefore sought the intervention of the court to recover the sums due to us. The court decreed that a sum of ₹0.31 million along with an interest of 12% from the date of suit till realization be paid to us. Our Company is in the process of initiating execution proceedings.

3. Our Company has filed a writ petition before the High Court of Karnataka against Karnataka Bank Limited, T Ramachandra and others. Our Company had obtained a building situated on Mission Road, Bengaluru on lease. The building is used as a hostel for our staff. The lessor, T Ramachandra had obtained a loan from Karnataka Bank and provided the leased property as security to the bank. The lessor defaulted on the loan and the bank tried to take possession of the property. We had sought a writ of mandamus to direct the bank to not take possession of the property. Through its order dated August 7, 2013, the High Court of Karnataka has directed the bank to not dispossess our Company of the property until the separate legal proceedings ensuing between the lessor and the bank is resolved. The matter is currently pending.

C. Notices

1. Our Company has served separate notices on Sreenivas K, and Ramakrishna N who were employed at HCG Vijay which has since been merged with our Company. Based on an internal inquiry conducted by our Company, it was noted that Sreenivas K and Ramakrishna N had been reporting excess revenues in HCG Vijay during the period between January 2012 and March 2013 in relation to patients admitted under the Rajiv Gandhi Aarogyasri Scheme. The discrepancy in accounts amounted to ₹34.63 million for financial years 2011-2012 and 2012-2013. This was done with the intent to dishonestly achieve yearly targets set by our Company for its employees. We have therefore sought to recover from Sreenivas K, ₹9.34 million that was paid as income tax in excess of what was required to be paid by us, ₹0.46 million being the cost incurred in conducting the internal audit, damages of ₹1 million and costs of the notice. We have not received a reply from the employee from Sreenivas K. We have sought to recover ₹3.11 million that was paid as income tax in excess of what was required to be paid by us, ₹0.15 million being the cost incurred in conducting the internal audit, damages of ₹1 million and costs of the notice from Ramakrishna N. We have dismissed the employees from their services. The matters are currently pending.
2. Our Company has served a notice dated April 10, 2014 on Amjad Khan, who had provided to our Company on lease property situated at Bengaluru. We have sought the refund of our security deposit. Pursuant to the expiry of the lease deed and handing over of vacant possession of the premises, we have not received a refund of the security deposit amounting to ₹0.12 million. We have received a reply dated May 7, 2014 alleging that our Company has failed to pay rent between June 2013 and April 2014. The matter is presently being negotiated.
3. Our Company has served a notice dated April 13, 2015, on Advance Medical Systems Pte Limited seeking repayment of USD 0.3 million which was advanced to Advance Medical Systems Pte Limited in relation to a post warranty services contract that was entered into for the financial year 2014-2015 and 2015-2016. Given that no services were provided by Advance Medical Systems Pte Limited, we have sought the repayment of the advance amount along with interest at the rate of 12.5%. We have provided Advance Medical Systems Pte Limited an extension of time to repay the amount, failing which we may initiate legal proceedings.
4. Our Company has served notices on 19 patients who had availed of treatment at our centres but had failed to discharge the full amount due to us for the services rendered. We have received replies from some patients disputing the outstanding amount or denying that any money is owed. We may have to initiate legal proceedings in the event that our dues are not paid. The aggregate amount claimed is ₹2.17 million.

Litigation involving our Subsidiaries

Litigation involving BACC Healthcare

I. Litigation against BACC Healthcare

A. Criminal Proceedings

1. A patient of BACC Healthcare, Sarita Shetty has filed a complaint with the Deputy Commissioner of Police, Upparpete Police Station, Bengaluru alleging that Dr. Anu Kottur working at BACC Healthcare is not qualified to carry out certain procedures that she undertakes and seeking an enquiry in the matter. The matter is currently pending.

B. Civil Proceedings

1. Sarita Shetty, Basavegowda HC and 14 others have initiated proceedings before the Karnataka State Human Rights Commission alleging that Dr. Anu Kottur working at Desai Nursing Home, a unit of BACC Healthcare is not qualified to perform certain procedures that she undertakes. The Karnataka State Human Rights Commission has referred the matter to the Karnataka Medical Council. The Karnataka Medical Council has issued a show cause to Dr. Kamini Rao, the promoter of BACC Healthcare, Dr. Anu Kottur and Desai Nursing Home, a unit of BACC Healthcare. We have responded to the notice by stating that Dr. Anu Kottur is a qualified ayurveda doctor who does not undertake any medical procedures at the hospital but only assists Dr. Kamini Rao by taking notes. In respect of the complaint received from Basavegowda HC and 4 others, the Karnataka Medical Council has directed Dr. Kamini Rao, the director of BACC Healthcare to not employ doctors trained in streams other than allopathic medicine. However since the details of the complainants were not provided, the Karnataka Medical Council did not take cognizance of the matter. The complaint filed by Sarita Shetty is currently pending.
2. Kiran KV, a relative of a patient who underwent treatment at one of the fertility centres operated by BACC Healthcare has filed a complaint with the JP Nagar Police Station, Bengaluru alleging that the death of the patient was caused due to negligence of the staff and the doctors employed at the clinic. The complainant has sought for all papers in relation to the treatment provided to the patient. The Karnataka Medical Council has stated that a *prima facie* case of death by negligence was made out. The matter is currently pending.

Litigation involving HCG Medi-Surge

I. Litigation against HCG Medi-Surge

A. Civil Proceedings

1. Ranvirsinh Vikramsinh Rahevar, a patient who underwent treatment at HCG Multispecialty Hospital, has filed a petition before the Consumer Dispute Redressal Forum alleging that HCG Medi-Surge had over charged him for the services provided. The petitioner has claimed a sum of ₹0.06 million from our HCG Medi-Surge. The matter is currently pending.
2. Jashubhai Shankarbhai Patel, a patient who underwent treatment at HCG Multispecialty Hospital, has filed a petition before the Consumer Dispute Redressal Forum alleging that HCG Medi-Surge had over charged him for the services provided and misdiagnosed him. The petitioner has claimed a sum of ₹0.7 million from our HCG Medi-Surge. The matter is currently pending.

B. Tax Proceedings

1. HCG Medi-Surge has filed its return of income for assessment year 2007-2008 subsequent to which, the Deputy Commissioner of Income Tax, Ahmedabad passed a rectification order dated March 31, 2015 assessing the total income at ₹5.69 million declared by HCG Medi-Surge. Deferred tax asset of ₹1.63 million has been wrongly added and the assessing officer has wrongly made a tax demand on book profits. HCG Medi-Surge has preferred an appeal before the Commissioner of Income Tax (Appeals) and sought that the order of the Deputy Commissioner of Income Tax be reversed.
2. HCG Medi-Surge has filed its return of income for assessment year 2012-2013 declaring a loss of ₹46.12 million subsequent to which the Deputy Commissioner of Income Tax, Ahmedabad passed an assessment order for assessment year 2012 – 2013, on a total loss of ₹1.77 million as against a loss of ₹46.12 million declared by HCG Medi-Surge. Employees contributions to provident fund, stamp duty paid to the registrar of companies, foreign payments, depreciation on fixed assets and business promotion expenses were disallowed in computing the total losses. HCG Medi-Surge has preferred an appeal before the Commissioner of Income Tax (Appeals) and sought that all charges against HCG Medi-Surge be dropped and that proceedings to impose a penalty be dropped.

C. Notices

1. HCG Medi-Surge has received legal notices dated December 1, 2014, December 24, 2014 and March 14, 2015 from the heirs of Jahangir Cama, a patient who underwent treatment at HCG Multispecialty Hospital, Mithakali, Ellis Bridge. It has been alleged that the death of Jahangir Cama was a result of

medical incompetence, hospital infections, malpractice and misdiagnosis. It has been alleged that HCG Medi-Surge's responses to the questions raised by the family of the deceased were vague and evasive. Additional documentation has been sought from HCG Medi-Surge. We have replied by way of letter dated May 26, 2015 and denied the allegations made against HCG Medi-Surge.

2. HCG Medi-Surge has received a legal notice dated July 9, 2014 from Minaben Sandipbahi Kamath who underwent treatment at HCG Multispecialty Hospital, Mithakali, Ellis Bridge. It has been alleged that the complainant was bed ridden due to deficiency in treatment provided at the hospital. The complainant has sought compensation of ₹1.2 million with interest at the rate of 12% per month. We are representing before the Consumer Dispute Redressal forum, Ahmedabad City and the matter is currently pending adjudication.

II. *Litigation by HCG Medi-Surge*

A. *Criminal Proceedings*

1. HCG Medi-Surge has filed three petitions before the Metropolitan Magistrate, Ahmedabad and one petition before the Court of Small Causes, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 against Gurcharan Singh Gandhi, Rafik Umedbhai Bhalur, Parag Thaker and Manan Mukeshbhai Parikh respectively. The respondents or their relatives received treatment at the hospital operated by Medi-Surge and failed to discharge their dues owed to the hospital in relation to the treatment received. The respondents presented us with cheques for ₹0.05 million, ₹0.07 million, ₹0.05 million and ₹0.07 million respectively, which were dishonoured. We have therefore initiated proceedings against the respondents and sought their imprisonment. The matters are currently pending.

B. *Civil Proceedings*

2. HCG Medi-Surge has filed two petitions before the City Civil Court, Ahmedabad to recover dues owed from Sagarben Kundanbhai Gadhavi and Jigarbhai Bipinbhai Kothari, relatives of patients who were treated at a hospital operated by HCG Medi-Surge. The respondents' relatives underwent treatment at the hospital and failed to clear the dues owed to the hospital, in relation to the treatment provided to the patient. HCG Medi-Surge has sought the intervention of the court to recover ₹0.28 million and ₹0.21 million due to us from Sagarben Kundanbhai Gadhavi and Jigarbhai Bipinbhai Kothari respectively. The court has by its orders, both dated January 10, 2013 directed the respondents to deposit 15% of the suit amount with the court until the matter is disposed off. The matter is currently pending.

Litigation involving HCG Senthil

I. *Litigation against HCG Senthil*

A. *Tax Proceedings*

1. HCG Senthil has received an assessment order for assessment year 2011-2012 and demanded a sum of ₹12.55 million pursuant to a demand notice issued under Section 156 of the IT Act to HCG Senthil in relation to discrepancies in the return of income and books of accounts. HCG Senthil has therefore been asked to show cause as to why the transactions with such creditors and entities should not be disallowed and assessed as income for the assessment year. Further it has been stated that Erode Blood Bank has categorically stated that it has not done any transactions with HCG Senthil during the assessment year and therefore the transactions disclosed with Erode Blood Bank should be disallowed and assessed as income for the assessment year. It has also been stated that HCG Senthil has suppressed income. Further the assessing officer has sought to disallow certain expenses incurred in relation to repairs and maintenance of our linear accelerator. Claims made from certain insurance companies and bills related to purchase of drugs have been disallowed. HCG Senthil has also received a notice under Section 274 read with Section 271(c) of the IT Act asking HCG Senthil to show cause as to why penalty should not be imposed on it for concealing particulars of income. HCG Senthil has preferred an appeal before the Commissioner of Income Tax (Appeals). The matter is currently pending.
2. HCG Senthil has received a show cause notice dated October 21, 2013 regarding non payment of service tax for assessment year 2011-2012. It has been alleged that HCG Senthil has short paid service tax aggregating to ₹2.09 million for services rendered by HCG Senthil from July 2010 to April 2011

and ₹1.29 million for business auxiliary services. Further it has been stated that HCG Senthil failed to obtain the service tax registration certificate for business auxiliary services and suppressed taxable value received from provision of business auxiliary services. It has been contended that HCG Senthil failed to pay service tax on the entire amount received from insurance companies. The show cause notice has been confirmed by the order of the Joint Commissioner of Service Tax. Further, the Joint Commissioner of Service Tax has imposed a penalty of ₹200 per day for non registration of business auxiliary services starting from the first day after the due date till the date of actual compliance and a penalty of ₹0.01 million and ₹3.38 million from HCG Senthil. We have preferred an appeal against the order of the Joint Commissioner of Central Excise Tax before Commissioner (Appeals), who has confirmed the order as such passed by the Joint Commissioner. Our Company has filed another appeal before the Customs, Excise and Service Tax Appellate Tribunal, Chennai. The matter is currently pending.

Litigation Involving our Group Entities

I. *Litigation Against BCCHI*

1. The Commissioner of Customs has issued a demand cum show cause notice and sought to levy customs duty on certain medical equipment imported by BCCHI. BCCHI had received a customs duty exemption certificate from the Director General of Health Services. However, it has been alleged that BCCHI has not complied with the terms of the exemption and hence duty has been levied. BCCHI has responded to the Director General of Health Services stating that it is compliant with all the relevant conditions. However, the Director General of Health Services cancelled the exemption alleging that BCCHI had not responded to the notice. BCCHI sought a personal hearing and the Directorate of Health and Family Welfare constituted an inspection committee to look into the matter. The inspection committee certified that BCCHI was compliant with provisions of the exemption certificate. The Commissioner of Customs passed an order levying a duty on BCCHI. Aggrieved by this order BCCHI referred the matter to the CESTAT. The disputed amount has been deposited with the CESTAT. The CESTAT directed the Commissioner of Customs to give a clear finding on whether BCCHI was compliant with the terms of the exemption. Subsequently, the Commissioner of Customs passed an order levying a duty, and imposing a fine and penalty. BCCHI has preferred an appeal in the matter which is pending before the High Court of Judicature of Bombay.

II. *Litigation by SSTRI*

1. The Mysore City Corporation has sought to levy property tax on the premises on which SSTRI carries out its operations. SSTRI filed a petition before the trial court at Mysuru seeking an exemption from payment of property tax on the grounds that SSTRI is a not for profit organization. The trial court had dismissed the petition. SSTRI has filed an appeal before the City Civil Judge Senior Division, Mysuru and sought that the order of the lower court be overturned. The matter is currently pending.

Compounding Applications

1. Our Promoter, Dr. Ajai Kumar has filed a compounding application with the RBI in relation to Equity Shares that he had purchased from Soni Medical Resources Private Limited on August 30, 2000. At the time of the transfer, our Promoter was a non resident Indian and the transferor company was a resident Indian company. As per the foreign exchange regulations applicable at the time of the transfer, the transferor was required to obtain the prior approval of the RBI for any transfer of shares to non residents. The transferor failed to get the requisite approval. On being made aware of the contravention, our Promoter has filed a compounding application before the RBI seeking that the contravention be condoned. The application is currently pending.
2. Our Company has filed a compounding application with the RBI in relation to contraventions of RBI notifications on external commercial borrowing and trade credits. Our Company has entered into certain agreements with off shore suppliers of medical equipments for procuring such equipment. Pursuant to applicable regulations in relation to external commercial borrowings, our Company was required to comply with certain conditions including availing a loan registration number from the RBI before availing the trade credit, approval from the AD banks prior to availing the trade credit and making certain form filings which our Company has not complied with. On being made aware of the contravention, our Company has filed a compounding application before the RBI seeking that the contravention be condoned. The application is currently pending.

In addition to the matters described above, our Company and our Subsidiaries have received several notices from some of our service providers and patients treated by us in relation to alleged non payment of fees or deficiency in services provided by us. We have responded to these notices and have not received any further communication from the parties in relation to the same.

Further, our Company has also received notices from various government departments including the office of the Commissioner of Customs, the Commissioner of Service Tax, the Assistant Commissioner of Income Tax, the Department of Revenue Intelligence seeking submission of certain documents and also seeking information with regard to our operations. Our Company has submitted the relevant documents and we have not received any further communication from the relevant departments.

Litigation or legal action against Promoters taken by any Ministry, Department of Government or any statutory authority

Except as disclosed above, there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Amounts Owed To Small Scale Undertakings/Creditors

Our Company does not owe any amounts exceeding ₹ 0.1 million to any micro, small and medium enterprises or other creditors, which has been outstanding for over 30 days, except in the ordinary course of business.

Material Developments

There have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

Proceedings initiated against our Company and our Directors for economic offences

There are no proceedings initiated against our Company or our Directors for any economic offences.

Inquiries, inspections or investigations under Companies Act

Except as disclosed above, there are no inquiries, inspections or investigations initiated or conducted against our Company and our Subsidiaries under the Companies Act, 2013 or any previous company law in the last five years. Further, except as disclosed above, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last five years involving our Company and our Subsidiaries.

Material Frauds

Except as disclosed above, there are no material frauds committed against our Company during the last five years.

Defaults in respect of dues payable

Our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest thereon) or dues in respect of deposits (including interest thereon) or any defaults in repayment of loans from any bank or financial institution (including interest thereon).

Outstanding litigation against other companies whose outcome could have an adverse effect on our Company

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law except as disclosed in this Section.

Disciplinary action taken by SEBI or stock exchanges against our Company

There are no disciplinary actions taken by SEBI or stock exchanges against our Company, its Subsidiaries or its Directors.

Further Confirmation

Except as disclosed above, there are no regulatory actions initiated/taken against our Company, our Subsidiaries, our LLPs, our Group Entities and our Promoters in their individual capacity by various agencies/regulatory bodies. Further, except as disclosed above there are no show cause notices received by our Company, our Subsidiaries, our Group Entities, our LLPs or our Promoters in their individual capacity (pending any investigation) for any regulatory lapse.

GOVERNMENT AND OTHER APPROVALS

Our Company, Subsidiaries and LLPs have received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company, Subsidiaries and LLPs undertake to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. For further details, in connection with the applicable regulatory and legal framework, see “*Regulations and Policies*” on page 171.

The objects clause of the respective memoranda of association enables our Company and our Subsidiaries to undertake its present business activities. The main objects as per the partnership agreements of our LLPs enable them to undertake their respective business activities.

The approvals required to be obtained by our Company include the following:

I. Incorporation details of our Company

1. Certificate of incorporation dated March 12, 1998 issued by the RoC to our Company, in its former name, being Curie Centre of Oncology Private Limited.
2. Fresh certificate of incorporation dated November 14, 2005 issued by the RoC to our Company consequent upon change of name to HealthCare Global Enterprises Private Limited.
3. Fresh certificate of incorporation dated July 5, 2006 issued by the RoC to our Company consequent upon change into a public company and upon change of name to HealthCare Global Enterprises Limited.
4. Our Company was allotted a corporate identification number U15200KA1998PLC023489.

II. Approvals in relation to the Issue

For details, see “*Other Regulatory and Statutory Disclosures*” on page 293.

III. Approvals in relation to our Business Operations

A. Approvals obtained by us and our Subsidiaries in relation to our free standing cancer centres and our multispecialty centre

In order to operate our free standing cancer centres and multispecialty centre, we require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include registration under the state specific medical establishments’ laws, Water Act, Air Act, HMW Rules and BMW Rules. In order to operate our pharmacies we require licenses under the DCA and the rules made thereunder. Further, in order to operate various medical equipments such as PET-CT, linear accelerators, brachytherapy units, x-ray machines, medical cyclotrons, we require approvals from the Radiological Safety Division, Atomic Energy Regulatory Board, Government of India (the “**AERB**”) for the layout and commissioning of the equipment and for import of radioactive materials. As per the Atomic Energy (Radiation Protection) Rules, 2004 (the “**Radiation Rules**”), the duty of a radiological safety officer is to assist and advice the employer on safety aspects. Under the Radiation Rules, separate persons are required to be appointed for handling any radioactive material or operating radioactive equipments. We are also required to obtain registrations under the Pre-natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994, approvals under the DCA to operate our blood banks and approvals under the Transplantation of Human Organs Act, 1994 in order to carry out liver transplants.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our free standing cancer centres and multispecialty centre. Certain approvals may have lapsed in their normal course and our Company and Subsidiaries have either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or

is in the process of making such applications.

B. Approvals in relation to oncology centres run in partnerships with third parties.

We also set up oncology centres within the premises of third party hospitals in partnership with the hospital management. In order to operate such oncology centres. Under the terms of the respective partnership agreements, we require various approvals and/ or licenses under various laws, rules and regulations. Further, in order to operate various medical equipments such as PET-CT, linear accelerators, brachytherapy units, x-ray machines, medical cyclotrons, we require approvals from the AERB for the layout and commissioning of the equipment and for import of radioactive materials. As per the Radiation Rules, the duty of a radiological safety officer is to assist and advice the employer on safety aspects. Under the Radiation Rules, separate persons are required to be appointed for handling any radioactive material and operating any radioactive equipments. In order to operate our pharmacies we require licenses under the DCA and the rules made thereunder. Our partners are under an obligation to obtain all other necessary approvals such as registration under the state specific medical establishments' laws, Water Act, Air Act, HMW Rules and BMW Rules.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate such oncology centres. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

C. Approvals obtained by us, our Subsidiaries and LLPs in relation to our day care centre and diagnostic centres

We also set up day care, diagnostic and imaging centres. In order to operate such centres, we require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include commissioning approvals from the AERB to operate various medical equipments such as PET-CT, mammography, computed tomography, x-ray and radiography equipments. As per the Radiation Rules, the duty of a radiological safety officer is to assist and advice the employer on safety aspects.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate such centres. Certain approvals may have lapsed in their normal course and our Company, our Subsidiaries and LLPs have either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

D. Approvals in relation to Triesta Sciences

Triesta Sciences conducts its operations from our standalone cancer centre located at P. Kalinga Rao Road, Bengaluru. The Ministry of Science and Technology, Government of India has recognized Triesta as an in-house research and development unit of our Company. We are also required to obtain approvals under the DCA to operate our blood banks.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate Triesta Sciences. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

E. Approvals in relation to our fertility centres

Our fertility centres are operated by our Subsidiary BACC Healthcare and its subsidiary DKR Healthcare. In order to operate our fertility centres, we require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include registration under the state specific medical establishments' laws, the Medical Termination Pregnancy Act, 1971 and the Pre-natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994. In order to operate our pharmacies we require licenses under the DCA and the rules made thereunder. Our fertility centres have also enrolled under the National Registry of Assisted Reproductive Technology (ART) Clinics and Banks in India, Indian Council of Medical Search.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and

governing authorities required to operate our business. Certain approvals may have lapsed in their normal course and BACC and DKR have either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

IV. Approvals under tax laws of our Company and Subsidiaries

Our Company and its Subsidiaries are required to register itself under various national tax laws and state specific tax laws such as the IT Act, CST Act, luxury tax, state specific sales tax and value added tax legislations. Our Company and its Subsidiaries are also required to pay service tax and state specific professional tax. We have obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws. We are also required to obtain an Importer Exporter Code in order to import medical equipments.

V. Intellectual Property Rights

For details see “*Our Business – Intellectual Property*” on page 168.

VI. Cancer Centres under development

We are currently developing a number of cancer centres through ourselves, our Subsidiaries or LLPs. Our Company, Subsidiaries and LLPs shall continue to obtain all the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our business as and when required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on May 29, 2015 and our Shareholders have approved the Offer pursuant to a resolution passed at the EGM held on June 15, 2015 under Section 62(1)(c) of the Companies Act, 2013.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see “*The Offer*” on page 63.

The Equity Shares being offered by the Investor Selling Shareholders and Other Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer. The Investor Selling Shareholders and Other Selling Shareholders have also confirmed that they are the respective legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Investor Selling Shareholders and Other Selling Shareholders severally and not jointly have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights, further details of which are set out in “*History and Certain Corporate Matters*” on page 177.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Entities, the persons in control of our Company and the Other Selling Shareholders have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. The Investor Selling Shareholders severally and not jointly confirm that such Investor Selling Shareholder, has not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except for Rajesh Singhal, Prakash Parthasarathy and Sudhakar Rao none of our Directors are associated with entities which are engaged in securities market related business and are registered with SEBI. For further details, see “*Our Management*” on page 193.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Prohibition by RBI

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, our Directors, the Group Entities, nor the Other Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them. The Investor Selling Shareholders severally and not jointly confirms that they have not been identified as wilful defaulters by the RBI or other government authority and there are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

- (2) “An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI ICDR Regulations which are set out below.

- (i) We are complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Offer is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.
- (ii) We are complying with Regulation 43(2A) of the SEBI ICDR Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Offer, respectively.

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI ICDR Regulations.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO 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 BRLMs, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, IDFC SECURITIES LIMITED, IIFL HOLDINGS LIMITED AND YES BANK LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 24, 2015 WHICH READS AS FOLLOWS:

WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER**

PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

- (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 - 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
 - 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.
 - 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. -COMPLIED WITH AND NOTED FOR COMPLIANCE
 - 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS’ CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE
 - 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION

OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ICDR) REGULATIONS WHILE MAKING THE OFFER. - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY HRA & CO., CHARTERED

ACCOUNTANTS (FIRM REGISTRATION NUMBER 010005S) PURSUANT TO ITS CERTIFICATE DATED JULY 18, 2015.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013, or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Investor Selling Shareholders and the Other Selling Shareholders from any liability to the extent of the statements made by them in respect of the Equity Shares offered by it under the Offer for Sale, under Section 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the 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, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Investor Selling Shareholders, Other Selling Shareholders and BRLMs

Our Company, the Directors, the Other Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.hcgel.com or the respective websites of our Subsidiaries, LLPs or our Group Entities would be doing so at his or her own risk. The Investor Selling Shareholders, their respective directors, affiliates, associates and officers accept/undertake no responsibility for any statements made other than those made by such Investor Selling Shareholder in relation to them and to the Equity Shares offered by them respectively, by way of the Offer for Sale in the Offer.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Investor Selling Shareholders, Other Selling Shareholders and the BRLMs 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.

None among our Company, the Investor Selling Shareholders, Other Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares 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 Investor Selling Shareholders, the Other Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective subsidiaries, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This 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 shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, LLPs, our Group Entities or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

All legal requirements pertaining to the 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, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Bid/Offer Closing Date. Further, the Other Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date.

The Investor Selling Shareholders and Other Selling Shareholders severally and not jointly undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses.

Price information of past issues handled by the BRLMs

A. Kotak

1. Price information of past issues handled by Kotak

Sr No.	Issue Name	Issue Size (₹in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar days from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar days from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar days from listing day (Closing)
1.	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	327.75	2.42%	8,328.55	338.90	8,609.85	N.A.	N.A.	N.A.	N.A.
2.	Adlabs Entertainment Limited ⁽¹⁾	3,745.94	180.00	April 6, 2015	162.20	192.65	7.03%	8,659.90	175.90	8,750.20	144.45	8,305.25	146.95	8,324.80
3.	Ortel Communications Limited	1,736.49	181.00	March 19, 2015	160.05	162.25	-10.36%	8,634.65	147.50	8,492.30	156.00	8,660.30	174.35	8,606.00

Source: www.nseindia.com

Notes:

1. In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹221 per equity share.
2. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered

2. Summary statement of price information of past issues handled by Kotak:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 – July 24, 2015	2	7,745.94	-	-	-	-	-	2	-	-	1	-	-	-
April 1,	1	1,736.49	-	-	1	-	-	-	-	-	1	-	-	-

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014 – March 31, 2015														
April 1, 2013 – March 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

B. Edelweiss

1. Price information of past issues handled by Edelweiss

Sr. No.	Issue Name	Issue size (₹in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
1.	Inox Wind Limited ⁽¹⁾	10,205.34	325	April 9, 2015	400	438	34.77%	28,885.21	450.75	27,886.21	430.15	27,396.38	416.80	27,105.39
2.	Monte Carlo Fashions	3,504.3	645	December 19, 2014	585	566.40	(12.19%)	27,371.84	526.40	27,395.73	503.35	26,908.82	473.90	28,262.01
3.	Sharda Cropchem Limited	3,518.6	156	September 23, 2014	254.1	231.45	48.37%	26,775.69	256	26,271.97	255.7	26,384.07	250.75	26,787.23
4.	Wonderla Holidays Limited	1,812.5	125	May 9, 2014	164.75	157.6	26.08%	22,994.23	167	24,363.05	210.1	24,556.09	216	25,580.21

(1) Discount of INR 15 per equity share offered to retail investors and eligible employees. All calculations are based on Issue Price of Rs. 325.00 per equity share
Source: www.bseindia.com

Notes:

1. Based on date of listing
2. Wherever 10th/20th/30th calendar day from listing day is a holiday, the closing data of the next trading day has been considered
3. The S&P BSE Sensex is considered as the Benchmark Index

2. Summary statement of price information of past issues handled by Edelweiss

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 till July 24, 2015	1	10,205.34	-	-	-	-	1	-	-	-	-	-	1	-
2014-15	3	8,835.4	-	-	1	-	2	-	-	1	-	2	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1 Based on date of listing

2 Wherever 10th/20th/30th calendar day from listing day is a holiday, the closing data of the next trading day has been considered

C. GS

1. Price information of past issues handled by GS: NA

D. IDFC

1. Price information of past issues handled by IDFC

Sr. No.	Issue Name	Issue size (INR)	Issue price (INR)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
1.	PNC Infratech Limited	4,884.40	378.00	May 26, 2015	387.00	360.50	(4.63)	8,339.35	384.80	8,130.65	379.90	8,013.90	379.20	8,360.85
2.	MEP Infrastructure Developers Limited	3,240.00	63.00	May 6, 2015	65.00	58.40	(7.30)	8,097.00	59.15	8,262.35	59.50	8,370.25	53.10	8,130.65
3.	Sharda Cropchem	3,518.60	156.00	September 23,	260.00	230.95	48.04	8,017.55	258.10	7,852.40	255.15	7,884.25	251.25	7,995.90

Sr. No.	Issue Name	Issue size (INR)	Issue price (INR)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
	Limited			2014										
4.	Repco Home Finance Limited	2,701.01	172.00	April 1, 2013	159.95	161.80	(5.93)	5,704.40	171.65	5,558.70	168.75	5,843.40	170.90	5,930.20

Source: www.nseindia.com for the price information and prospectus for issue details

Notes:

- (1) In case of reporting dates falling on a holiday, values for the trading day immediately following the holiday have been considered
(2) Price information and benchmark index values have been shown only for designated stock exchange for the issues listed as item 1,2,3 and 4 in the above table
(3) NSE was the designated stock exchange for the issues listed as item 1, 2, 3 and 4 in the above table. NIFTY has been used as the benchmark index

2. Summary statement of price information of past issues handled by IDFC

Fiscal Year	Total No. of IPOs ⁽¹⁾	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 till July 24, 2015	2	8,124.40	-	-	2	-	-	-	-	-	1	-	-	1
2014-2015	1	3,518.60	-	-	-	-	1	-	-	-	-	1	-	-
2013-2014	1	2,701.01	-	-	1	-	-	-	-	-	1	-	-	-

(1) Based on the date of listing

E. IIFL

1. Price information of past issues handled by IIFL

Sr. No.	Issue Name	Issue size (₹in million)	Issue price (₹in million)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
1.	Manpasand Beverages Limited	4,000	320.00	July 9, 2015	300.00	327.75	2.42	8,328.55	338.90	8,609.85	NA	NA	NA	NA

Note: Benchmark Index taken as CNX NIFTY. Price date is from NSE

2. Summary statement of price information of past issues handled by IIFL

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 – July 24, 2015	1	4,000	0	0	0	0	0	1	0	0	0	0	0	0
April 1, 2014 – March 31, 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April 1, 2013 – March 31, 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: Data for No. of IPOs trading at premium/discount taken as closing price on NSE on the respective data

F. Yes Bank

1. Price information of past issues handled by Yes Bank

Sr. No.	Issue Name	Issue size (₹in million)	Issue price (₹in million)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
1.	Inox Wind Limited	10,205.34	325.00 ⁽¹⁾	9 th April 2015	400.00	438.00	34.77%	28,885.21	450.75	27,886.21	430.15	27,396.38	416.80	27,105.39
2.	Shemaroo Entertainment Limited	1,200	170.00 ⁽²⁾	1 st Oct 2014	180.00	171.00	0.59%	26,567.99	158.15	26,384.07	160.10	26,575.65	164.05	27,865.83

Source: www.bseindia.com

(1) Discount of Rs. 15 per equity share offered to retail investors and eligible employees

(2) Discount of Rs. 17 per equity share offered to retail investors

Notes:

1. Benchmark index is BSE Sensex

2. In case 10th/20th/30th day is not a trading day, Benchmark Index / closing price on the BSE of the next trading day has been considered

2. Summary statement of price information of past issues handled by Yes Bank

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2015 – July 24, 2015	1	10,205.34	-	-	-	-	1	-	-	-	-	-	1	-
April 1, 2014 – March 31, 2015	1	1,200	-	-	-	-	-	1	-	-	1	-	-	-
April 1, 2013 –	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
March 31, 2014														

Notes:

1. Based on date of listing.
2. Wherever 30th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Kotak	http://www.investmentbank.kotak.com
2.	Edelweiss	http://www.edelweissfin.com
3.	GS	http://www.goldmansachs.com/worldwide/india/track-record.html
4.	IDFC	http://www.idfc.com/capital/investment-banking/track-record.aspx
5.	IIFL	http://www.iifl.com
6.	Yes Bank	http://www.yesbank.in/corporate-banking/investment-banking/merchant-banking-track-record-of-public-issues.html

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Auditors, legal advisors, Bankers/lenders to our Company and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, have given their written consent for inclusion of their reports dated July 13, 2015 on the Restated Financial Statements of our Company and the statement of tax benefits dated July 11, 2015 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI. The term “expert” and consent thereof does not represents an expert or consent within the meaning under the 1933 Securities Act of the United States of America.

Expert to the Offer

Except as stated herein, our Company has not obtained any expert opinions, our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated July 13, 2015 on the Restated Financial Statements of our Company and the statement of tax benefits dated July 11, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus. The term “expert” and consent thereof does not represents an expert or consent within the meaning under the 1933 Securities Act of the United States of America.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details, of Offer expenses, see “*Objects of the Offer*” on page 110.

All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between the Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated [●], a copy of which is available for inspection at the Registered Office.

For details of the Offer expenses, see “*Objects of the Offer*” on page 110.

Commission payable to the Registered Brokers

For details of the commission payable to the Registered Brokers, see “*Objects of the Offer*” on page 110.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement dated July 24, 2015 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO grading

The Company may appoint an IPO grading agency registered with SEBI in respect of obtaining grading for the Offer. Such an IPO grading agency may be appointed prior to filing of the Red Herring Prospectus with the RoC.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed in “*Capital Structure*” on page 74, our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the “*Capital Structure*” on page 74, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed Group Entities and Subsidiaries of our Company

None of the Group Entities and Subsidiaries of our Company have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Entities and Subsidiaries of our Company

Except as disclosed in “*Capital Structure*”, our Company has not undertaken any previous public or rights issue. There has been no shortfall in terms of performance vis-a-vis objects for any of the previous issues of our Company.

Our Company has made the following rights issues in the 10 years immediate preceding the date of the Draft Red Herring Prospectus:

Sl. No.	Date	Number of Equity Shares offered	Number of Equity Shares allotted	Issue Price (₹)	Objects of the Issue
1.	June 17, 2011	5,863,387	4,965,903	86.30	To finance new projects and upgradation of existing facilities

None of the Group Entities or Subsidiaries of our Company have undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders will provide for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

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 SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Gangadhara Ganapati, Dr. Jennifer Gek Choo Lee, Rajesh Singhal and Dr. BS Ajai Kumar as members. For details, see "*Our Management*" on page 193.

Our Company has also appointed Sunu Manuel, Company Secretary of our Company as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

HealthCare Global Enterprises Limited

HCG Tower, No. 8, P Kalinga Rao Road

Sampangi Rama Nagar

Bengaluru 560 027

Karnataka, India

Tel: +91 80 4660 7700

Fax: +91 80 4660 7749

E-mail: investors@hcgoncology.com

Changes in Auditors

There has been no change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in “*Capital Structure*” on page 74.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of Articles of Association*” on page 373.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 220 and 373, respectively. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferee.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Kannada newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same 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 on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements with the Stock Exchange(s) and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provisions of Articles of Association*” on page 373.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated June 27, 2015 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated June 4, 2015 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only

on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to at least 25% post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(i) of the SCRR), including devolvment of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Offer.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 74 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page 373.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Public Offer of up to 31,098,000 Equity Shares for cash at price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] comprising of a Fresh Issue of up to 11,600,000 Equity Shares aggregating to ₹[●] by our Company and Offer of Sale of up to 19,498,000 Equity Shares aggregating to ₹[●] by the Selling Shareholders. The Offer will constitute 36.83% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* ⁽²⁾	At least 23,323,500 Equity Shares	Not more than 4,664,700 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Bidders	Not more than 3,109,800 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	At least 75% of the Offer size shall be available for allocation to QIBs. However, up to 5% of the net QIB Portion (excluding the Anchor Investor 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 QIB Portion	Not more than 15% of the Offer	Not more than 10% of the Offer
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to 466,470 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 9,329,400 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	In the event, the Bids received from Retail Individual Investors exceed 3,109,800 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“ Maximum RIB Allottees ”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: (i) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on a proportionate basis to the Retail Individual Bidders who have received allocation as per (i) above for less

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
			than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot) (ii) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated minimum Bid Lot shall be determined on draw of lots basis For details, see “Offer Procedure” on page 319
Mode of Bidding	ASBA only ⁽³⁾	ASBA only	ASBA and non-ASBA
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Non-Institutional Portion	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	managed by the Department of Posts, India		
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors) ⁽⁵⁾⁽⁶⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form ⁽⁶⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form ⁽⁶⁾

*Assuming full subscription in the Offer

- (1) Our Company may, in consultation with the Investor Selling Shareholders allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Structure" on page 314
- (2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b)(ii) of the SCRR and under the SEBI ICDR Regulations. This Offer will be made through the Book Building Process wherein at least 75% of the Offer will be Allotted on a proportionate basis to QIBs, provided that our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer will 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
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders
- (4) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Offer Closing Date
- (5) In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form

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

Withdrawal of the Offer

Our Company in consultation with the Investor Selling Shareholders and the BRLMs, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company in consultation with the Investor Selling Shareholders withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and obtaining (ii) trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON (FOR QIBS)	[●] ⁽²⁾
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[●]

- (1) Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, consider participation by Anchor Investors. 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
- (2) Our Company may, in consultation with the Investor Selling Shareholders and the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of refunds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchanges	[•]

The above timetable is indicative other than the Bid/Offer Opening Date and the Bid Offer Closing Date and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Investor Selling Shareholders and Other Selling Shareholders severally and not jointly undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except the Bid/Offer Closing Date) at the bidding centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only on Working Days i.e. Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data.

Our Company and the Investor Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate Members.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations including reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Investor Selling Shareholders, the Other Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Investors. However, there is a common Bid cum Application Form for ASBA Investors (submitted to SCSBs or to the Syndicate at the Specified Locations or to the Registered Brokers at the Broker Centres) as well as for non-ASBA Investors. Investors applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Investors are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Investors, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

ASBA Investors may submit ASBA Bids to a Designated Branch (a list of such branches is available on the website of the SEBI (www.sebi.gov.in) or to the Syndicate at the Specified Locations, a list of which is available at the website of the SEBI (www.sebi.gov.in) and updated from time to time or to the Registered Brokers at the Broker Centres. Non-ASBA Investors are required to submit Bids to the Syndicate, only on a Bid cum Application Form bearing the stamp of a member of the Syndicate or the Registered Broker. ASBA Investors are advised not to submit Bid cum Application Forms to Escrow Collection Banks, unless such Escrow Collection Banks are also SCSBs.

All Investors are required to pay the full Bid Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

SEBI by its circular (CIR/CFD/DIL/1/2011) dated April 29, 2011 (“**2011 Circular**”) has made it mandatory for the non retail Bidders i.e., QIBs (other than Anchor Investors) and Non Institutional Bidders to make use of the facility of ASBA for making applications for public issues. Further, the 2011 Circular also provides a mechanism to enable the Syndicate and sub-Syndicate Members to procure Bid cum Application Forms submitted under the ASBA process from prospective Bidders. SEBI by its circular (CIR/ CFD/ 14/ 2012) dated October 4, 2012 (“**2012 Circular**”), has introduced an additional mechanism for prospective Bidders to submit Bid cum Application Forms (ASBA and non-ASBA applications) using the stock broker network of Stock Exchanges, who may not be Syndicate Members in the Issue. The 2012 Circular envisages enabling this facility to submit the Bid cum Application Forms in more than 1,000 locations which are part of the nationwide broker network of the Stock Exchanges and where there is a presence of the brokers’ terminals, by March 1, 2013. Further, SEBI by its circular (CIR/CFD/DIL/4/2013) dated January 23, 2013 (“**2013 Circular**”), in partial modification of the 2011 Circular, mandates that in order to facilitate Syndicate/sub-Syndicate/non-Syndicate Members to accept Bid cum Application Forms from prospective ASBA Bidders in the locations, all the SCSBs having a branch in the location of Broker Centres, notified in terms of the 2012 Circular are required to name at least one branch before March 1, 2013, where Syndicate/ sub-Syndicate/ non-Syndicate Members can submit such Bid cum Application Forms.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company, in consultation with the Investor Selling Shareholders and the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% 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.

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

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers at the Registered Centres, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the SCSBs, the NSE (www.nseindia.com), the BSE (www.bseindia.com) and the terminals of the Registered Brokers at least one day prior to the Bid/Offer opening date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a Syndicate Member or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions	Blue

Category	Colour of Bid cum Application Form*
applying on a repatriation basis (ASBA and Non ASBA)	
Anchor Investors**	White

* Excluding electronic Bid cum Application Form

** Bid cum Application forms from Anchor Investors will be made available at the office of the BRLMs

Who can Bid?

In addition to the category of Bidders set forth under “**General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Offer**” on page 334, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investors;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than mutual funds sponsored by entities related to the BRLMs) or the Promoters and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Investor Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

NRIs may obtain copies of Bid cum Application Form from the offices of the the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) accounts, or out of a Non-Resident Ordinary (“NRO”) account, or Non-Resident (Special) Rupee account/Non-Resident Non-Repatriable Term Deposit account. NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE account or FCNR account, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE account or FCNR account, as the case may be. Payment for Bids by non-resident Bidders Bidding on a repatriation basis will not be accepted out of NRO accounts.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

Bids by FIIs (including FIIs and QFIs)

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. On March 13, 2014, the RBI amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore

derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by Anchor Investors

Our Company in consultation with the Investor Selling Shareholders and the BRLMs, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and be completed on the same day.
- (v) Our Company in consultation with the Investor Selling Shareholders and the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million;
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
 - (c) minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days from the Bid/Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

- (x) The BRLMs (other than mutual funds sponsored by entities related to the BRLMs), our Promoters, Promoter Group, Group Entities or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see “Offer Procedure - Part B: General Information Document for Investing in Public Issues - section 7: Allotment Procedure and Basis of Allotment - Allotment to Anchor Investor” on page 362.
- (xiii) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulation.

All Non-Resident Bidders including Eligible NRIs, FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Investor Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required

to be attached to the Bid cum Application Form, failing which our Company in consultation with the Investor Selling Shareholders reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and the Master Circular dated July 1, 2014 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company’s paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Investor Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, FIIs, QFIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Investor Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company in consultation with the Investor Selling Shareholders and the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company in consultation with the Investor Selling Shareholders and the BRLMs may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Investors Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Investor Selling Shareholders, the Other Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of the Syndicate Member (except in case of electronic forms) or with respect to ASBA Bidders, ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account, or to a Registered Broker at the Broker Centres.;
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form and a Transaction Registration Slip for all your Bid options;

11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised Transaction Registration Slip;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
20. 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;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
25. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate Members, the SCSBs or the Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

26. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
27. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/or the Designated Branch and/or the Registered Broker at the Broker Centres (except in case of electronic forms);
28. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
29. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders Bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
30. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
31. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
32. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form; and
33. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Offer;

8. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
15. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
18. 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;
19. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date for QIBs;
20. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
21. 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);
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;
23. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;
24. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
25. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>); and
26. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in a separate clearing session. This separate clearing session will operate once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit MICR code are liable to be rejected.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Investors: “[●]”
- (b) In case of Non-Resident Retail Individual Investors: “[●]”

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of Kannada newspaper [●], each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company and/or the Selling Shareholders subsequently decides to proceed with the Offer;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Offer Closing Date;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- the Allotment letters will be issued or the application money will be refunded within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time;
- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by ASBA Bidders and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

Undertakings by the Selling Shareholders

The Investor Selling Shareholders undertake severally and not jointly that:

- they shall deposit their Equity Shares in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the date of the Red Herring Prospectus or as disclosed in the Red Herring Prospectus;
- they shall sign, and cause their authorized signatories (by way of powers of attorney or otherwise) to sign the offer documents and agreements in relation to the Offer, and confirm that their duly authorised signatories who have signed a declaration, that the statements made by them in the offer documents about or in relation to them as well as any Offer related materials are true and correct as of the date of this Draft Red Herring Prospectus and as will be included in the Red Herring Prospectus and Prospectus, or such Offer related material, as the case may be;
- subject to the Offer Agreement, they shall not offer, lend, pledge, encumber, sell, contract to sell or otherwise transfer or dispose off, directly or indirectly, any of the Equity Shares held by them;
- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- they shall ensure that they shall make available the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed in the Offer Documents;
- they shall take all steps and provide all assistance to the Company and the BRLMs, as may be required and necessary by the Investor Selling Shareholders, for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 12 Working Days from the Bid/Offer Closing Date of the Offer, failing which they shall forthwith repay without interest all monies received from Bidders to the extent of the Investor Offered Shares. In case of delay, interest as per applicable law shall be paid by them to the extent of the Investor Offered Shares; and
- they shall disclose and furnish to the BRLMs all information relating to any pending litigation, arbitration, complaint or notice that may affect the ownership or title to the Equity Shares or their ability to offer the Equity Shares in the Offer for Sale.
- MPEF and PIOF further severally and not jointly undertakes that they shall not, without the prior written consent of the Managers, during the period commencing from date on which the Equity Shares offered pursuant to the Offer are listed and ending 90 (ninety) calendar days after such date, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any Encumbrances in relation to any Equity Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Equity Shares; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Equity Shares or any other securities convertible into or exercisable as or exchangeable for Equity Shares; (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise; or (iv) engage in any publicity activities prohibited under Applicable Law in any jurisdiction in which the Equity Shares are being offered, during the period in which it is prohibited under such Applicable Law.

The Other Selling Shareholders undertake that:

- the Equity Shares being offered by them in the Offer for Sale shall be transferred to special depository account(s);
- they shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, any of the Equity Shares held by them except the Equity Shares being offered by them in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;

- they shall ensure that the Equity Shares being offered by them in the Offer for Sale, shall be transferred to the successful Bidders within the time specified under applicable law;
- they shall ensure that they shall make available the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed in the Draft Red Herring Prospectus;
- they shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law; and
- they shall take all steps and provide all assistance to the Company and the BRLMs, as may be required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 12 Working Days from the Bid/Offer Closing Date of the Offer, failing which they shall forthwith repay without interest all monies received from Bidders to the extent of the Equity Shares being offered in the Offer for Sale. In case of delay, interest as per Applicable Law shall be paid by them to the extent of the Equity Shares being offered in the Offer for Sale.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Investor Selling Shareholders and the Other Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Our Company, in consultation with the Investor Selling Shareholders and BRLMs, reserves the right not to proceed with the Offer at any time after the Bid Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers, in which the pre-Offer advertisements were published, within two days of the Bid Closing Date of the Offer or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall instruct the SCSBs to unblock the ASBA Accounts within one Working Day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the

SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

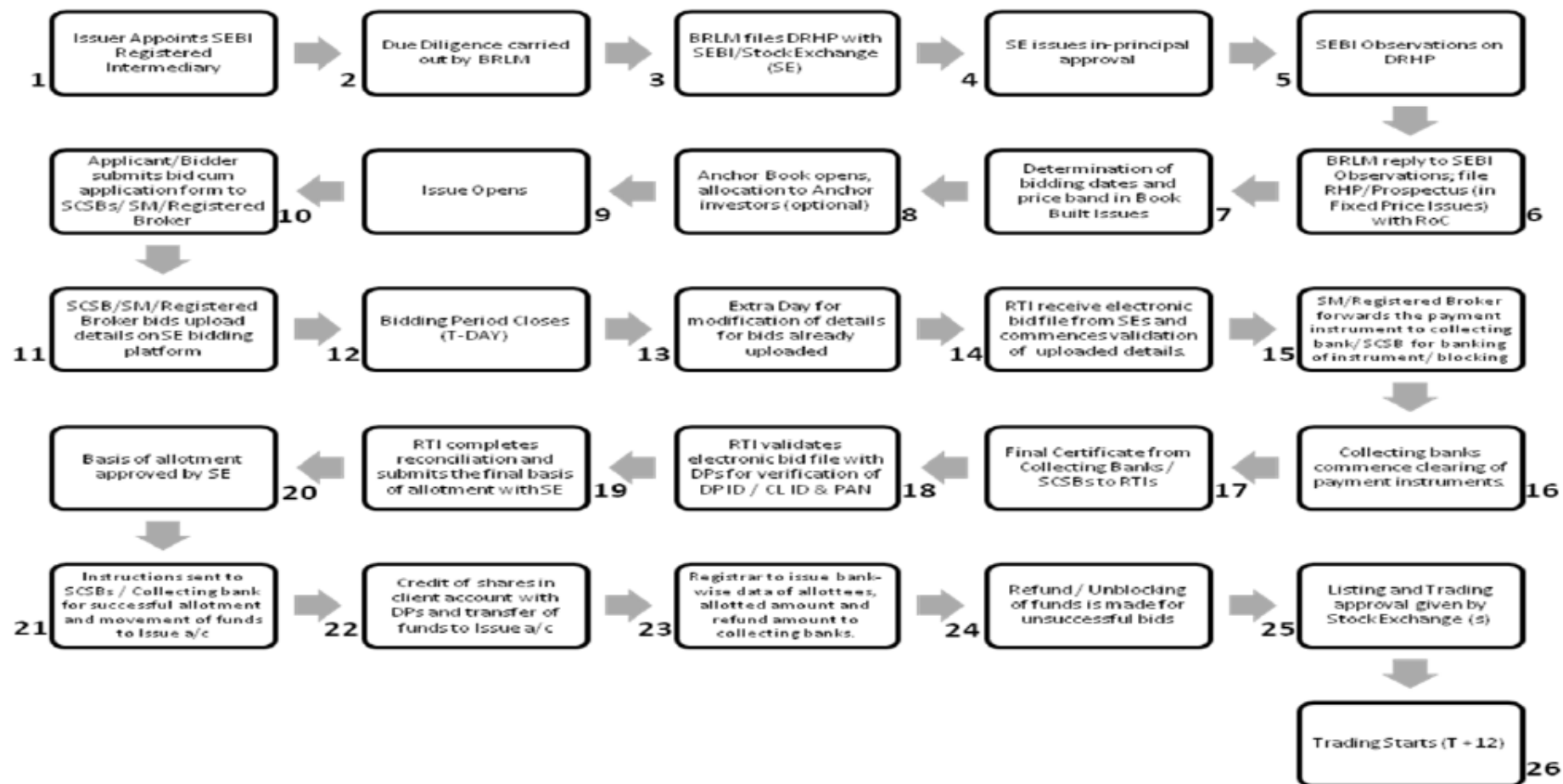
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Offer Date and Price
 - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - iv. Step 12: Offer period closes
 - v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (“**NIIs**”) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be

available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA **XYZ LIMITED - PUBLIC ISSUE - R** **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS**

Logo To, The Board of Directors XYZ Limited **BOOK BUILDING ISSUE** **Bid cum Application Form No.** IN

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant
		Mr. / Ms. _____
ESCROW/BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	Address _____
		Email _____
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL	6. Investor Status																																	
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	☐ Individual(s) - IND ☐ Hindu Undivided Family* - HUF ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - FI ☐ Mutual Funds - MF ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VC ☐ Others (Please specify) - OTH																																	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")	5. Category																																	
<table border="1"> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> </tr> <tr> <td></td> <td>7 6 5 4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td>4 3 2 1</td> <td></td> </tr> <tr> <td>Option 1</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td>☐</td> </tr> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Discount, if any	Net Price		7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1		Option 1					☐	(OR) Option 2					☐	(OR) Option 3					☐	☐ Retail Individual ☐ Non-Institutional ☐ QIB
Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																											
	Bid Price	Discount, if any		Net Price																														
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1																														
Option 1					☐																													
(OR) Option 2					☐																													
(OR) Option 3					☐																													

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)	PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment
Amount Paid (₹ in figures) _____ (₹ in words) _____	
☐ (A) CHEQUE/ DEMAND DRAFT (DD)	☐ (B) ASBA
Cheque/DD No. _____ Dated DD MM YY	Bank A/c No. _____
Drawn on (Bank Name & Branch) _____	Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE / FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____, 2011	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

XYZ LIMITED **Acknowledgement Slip for Syndicate Member / SCSB** **Bid cum Application Form No.**

DPID / CLID	PAN	Stamp & Signature of Banker
Amount Paid (₹ in figures) _____	Bank & Branch _____	
Cheque / DD/ASBA Bank A/c No. _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

XYZ LIMITED	TEAR HERE	Name of Sole / First Applicant																								
<table border="1"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cheque / DD/ASBA Bank A/c No.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bank & Branch</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Cheque / DD/ASBA Bank A/c No.				Bank & Branch				Stamp & Signature of Syndicate Member / SCSB	Acknowledgement Slip for Bidder Bid cum Application Form No.
	Option 1	Option 2	Option 3																							
No. of Equity Shares																										
Bid Price																										
Amount Paid (₹)																										
Cheque / DD/ASBA Bank A/c No.																										
Bank & Branch																										

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS			
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018			
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant			
ESCROW/BANK/SCSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____			
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		Address _____			
				Email _____			
				Tel. No (with STD code) / Mobile _____			
				2. PAN OF SOLE / FIRST APPLICANT			
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL				6. Investor Status			
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				☐ NRI Non-Resident Indian (Repatriation basis)			
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")				☐ FII Foreign Institutional Investor			
				☐ FVCI Foreign Venture Capital Investor			
				☐ FIISA FII Sub Account Corporate / Individual			
				☐ OTH Others (Please Specify) _____			
				☐ QIB			
5. Category							
☐ Retail Individual							
☐ Non-Institutional							
☐ QIB							
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment			
Amount Paid (₹ in figures) _____ (₹ in words) _____							
☐ (A) CHEQUE/DEMAND DRAFT (DD)				☐ (B) ASBA			
Cheque/DD No. _____ Dated _____				Bank A/c No. _____			
Drawn on (Bank Name & Branch) _____				Bank Name & Branch _____			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.							
8A. SIGNATURE OF SOLE / FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)			
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue					
		1) _____					
		2) _____					
		3) _____					
TEAR HERE							
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No. _____			
DPID / CLID _____		PAN _____					
Amount Paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of Banker			
Cheque / DD/ASBA Bank A/c No. _____							
Received from Mr./Ms. _____							
Telephone / Mobile _____		Email _____					
TEAR HERE							
XYZ LIMITED	Option 1		Option 2		Option 3		
	No. of Equity Shares						
	Bid Price						
	Amount Paid (₹)						
Cheque / DD/ASBA Bank A/c No. _____						Stamp & Signature of Syndicate Member / SCSB	
Bank & Branch _____						Name of Sole / First Applicant	
						Acknowledgement Slip for Bidder	
						Bid cum Application Form No. _____	

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in

case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (d) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (f) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Offer. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum

application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- (b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (e) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- (f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount

may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.

For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/P prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Offer only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders:**

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
 - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders Bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified Locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders Bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

- (h) **ASBA Bidders Bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs Bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Offer Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Sshares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
 - v. Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.

- (d) The following details (as applicable) should be quoted while making any queries -
- i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted; or
 - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof;
 - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS																														
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018																														
		Bid cum Application Form No.																																
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant																														
				Mr. / Ms. _____																														
ESCROW BANK / SCSSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Tel. No (with STD code) / Mobile _____																														
				2. PAN OF SOLE / FIRST APPLICANT																														

BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL																														

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID																																		
PLEASE CHANGE MY BID																																		
4. FROM (as per last Bid or Revision)																																		
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)							Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)																										
	(In Figures)							(In Figures)																										
	7	6	5	4	3	2	1	Bid Price	4	3	2	1	Discount, if any	4	3	2	1	Net Price	4	3	2	1	"Cut-off"											
Option 1																					☐													
(OR) Option 2																					☐													
(OR) Option 3																					☐													
5. TO (Revised Bid)																																		
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)							Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)																										
	(In Figures)							(In Figures)																										
	7	6	5	4	3	2	1	Bid Price	4	3	2	1	Discount, if any	4	3	2	1	Net Price	4	3	2	1	"Cut-off"											
Option 1																					☐													
(OR) Option 2																					☐													
(OR) Option 3																					☐													
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)																																		
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____											PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment																							
☐ (A) CHEQUE/ DEMAND DRAFT (DD)											☐ (B) ASBA																							
Cheque/DD No. _____ Dated DD/MM/YYYY											Bank A/c No. _____																							
Drawn on (Bank Name & Branch) _____											Bank Name & Branch _____																							
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.																																		
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)											7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)																							
Date : _____, 2011											I/We authorize the SCSSB to do all acts as are necessary to make the Application in the issue																							
											1) _____																							
											2) _____																							
											BROKER'S / SCSSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)																							
TEAR HERE																																		
XYZ LIMITED BID REVISION FORM											Acknowledgement Slip for Syndicate Member / SCSSB																							
DPID / CLID _____											PAN _____																							
Additional Amount Paid (₹) _____											Bank & Branch _____																							
Cheque / DD/ASBA Bank A/c No. _____											Stamp & Signature of Banker _____																							
Received from Mr./Ms. _____																																		
Telephone / Mobile _____											Email _____																							
TEAR HERE																																		
XYZ LIMITED BID REVISION FORM											Option 1			Option 2			Option 3			Acknowledgement of Syndicate Member / SCSSB						Name of Sole / First Applicant								
											No. of Equity Shares			_____			_____			_____														
											Bid Price			_____			_____			_____														
											Additional Amount Paid (₹)			_____			_____			_____														
											Cheque / DD/ASBA Bank A/c No.			_____			_____			_____														
Bank & Branch			_____			_____			_____																									

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to

continue to Bid at the Cut-off Price), with the members of the Syndicate/Registered Broker to whom the original Bid was submitted.

- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the Escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants Bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Offer Closing Date.

4.3.5.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	(b) To the Designated Branches of the SCSBs where the ASBA Account is

Mode of Application	Submission of Bid cum Application Form
	maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/Revision Form directly to the Escrow Collection Banks. Bid cum Application Form/Revision Form submitted to the Escrow Collection Banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) Bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

- (b) On the Bid/Offer Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Offer Period, the same can be done by submitting a withdrawal request to the Registrar to the Offer until finalization of Basis of Allotment. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. with respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (n) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- (p) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (q) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (w) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (y) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

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

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Offer or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual

Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid

Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest refund the entire subscription amount received within 15 days of the Bid/Offer Closing Date. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/Allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Offer may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by

cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/(ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Offer who Bid/apply through ASBA
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer

Term	Description
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid/Offer Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)

Term	Description
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Offer cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India

Term	Description
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder

Term	Description
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form

Term	Description
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Offer (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued the Consolidated FDI Policy Circular of 2015 (“**FDI Circular 2015**”), which, with effect from May 12, 2015, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A of the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall be applicable. However, Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or by the shareholders.

PART A

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. **“Act”** means the (i) Companies Act, 2013, and the Rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections; and (ii) Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
- b. **“ADRs”** shall mean American Depository Receipts representing ADSs.
- c. **“Annual General Meeting”** shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- d. **“ADR Facility”** shall mean an ADR facility established by the company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- e. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- f. **“Articles”** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- g. **“Auditors”** shall mean and include those persons appointed as such for the time being by the company.
- h. **“Board”** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- i. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- j. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of sub section (1) of section 2 of the Depositories Act.

- k. **“Capital” or “share capital”** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.
- l. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.
- m. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.
- n. **“Company” or “this company”** shall mean **HEALTHCARE GLOBAL ENTERPRISES LIMITED**.
- o. **“Committees”** shall have the meaning ascribed to such term in Article 74.
- p. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- q. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- r. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of Ssection 2 of the Depositories Act.
- s. **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- t. **“Dividend”** shall include interim dividends.
- u. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.
- v. **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees ten only) per equity share, and one vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- w. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- x. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;
- y. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- z. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.

- bb. **“GDSs”** shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.
- cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.
- dd. **“Independent Director”** shall mean an independent director as defined under the Act and under clause 49 of the Listing Agreement.
- ee. **“India”** shall mean the Republic of India.
- ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- gg. **“Listing Agreement”** means the agreement entered into with the stock exchanges in India, on which a company’s shares are listed.
- hh. **“Managing Director”** shall have the meaning assigned to it under the Act.
- ii. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India.
- jj. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- kk. **“Notified Sections”** shall mean the sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect.
- ll. **“Office”** shall mean the registered office for the time being of the Company.
- mm. **“Officer”** shall have the meaning assigned thereto by section 2(59) of the Act.
- nn. **“Ordinary Resolution”** shall have the meaning assigned thereto by section 114 of the Act.
- oo. **“Paid up”** shall include the amount credited as paid up.
- pp. **“Person”** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- qq. **“Promoters”** shall mean Dr. BS Ajai Kumar, Dr. Ganesh Nayak, Dr. KS Gopinath, Dr. BS Ramesh and Dr. Gopichand.
- rr. **“Register of Members”** shall mean the register of shareholders to be kept pursuant to section 88 of the Act.
- ss. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- tt. **“Rules”** shall mean the rules made under the Act and notified from time to time.
- uu. **“Seal”** shall mean the common seal(s) for the time being of the Company.
- vv. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- ww. **“Secretary”** shall mean a company secretary within the meaning of clause (c) of sub-section (1)

of section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act and any other administrative duties.

- xx. **“Securities”** shall mean any Equity Shares or any other securities, debentures warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- yy. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- zz. **“Shareholder”** shall mean any shareholder of the Company, from time to time.
- aaa. **“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- aaa. **“Special Resolution”** shall have the meaning assigned to it under section 114 of the Act.
- bbb. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word **“Transferred”** shall be construed accordingly.
- ccc. **“Tribunal”** shall mean the National Company Law Tribunal constitutes under section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of Rs. 5,00,000 (Rupees five lacs only) as required under the Act.
- (c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Board may allot and issue shares of the Company as payment or part payment for any

property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

- (g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (j) All of the provisions of these Articles shall apply to the Shareholders.
- (k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places as its Board may deem fit.

6. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- (d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, 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; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. 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.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of section 48 of the Companies Act, 2013 and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to section 107(2) of the Companies Act, 1956 and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (b) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate 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.

 Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with section 56 and other applicable provisions of the Act and the Rules:
 - (i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or subdivision of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.
 - (ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company

shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.

- (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

- (a) Subject to the provisions of section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any

call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time 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 or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

- (a) The Company shall have a first and paramount lien:

- (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
- (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. 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.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

- (a) The Company shall have a first and paramount lien:
 - (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
 - (ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium

payable in respect of such Debentures.

- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the

Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 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 Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall

include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of 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 the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
 - (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - a. the offer shall be made by notice specifying the number of shares offered and

limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

- b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
 - c. 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 may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
- (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
 - (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
 - (d) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the Rules and the applicable provisions of the Companies Act, 2013.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. 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 shall apply.
- (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (f) Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a 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 where the Company has a lien on shares.

- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein 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.
- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other

than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

- (m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of section 56 of the Act.
- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if

the Board shall so think fit.

- (r) There shall be a common form of transfer in accordance with the Act and Rules.
- (s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct the respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
 - (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - (iii) 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 a Shareholder of the Company.
 - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and

subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities 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 floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories

Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;
 - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued 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, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

- (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account 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 privileges or advantages, (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.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during

the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
 - (b) Auditor or Auditors of the Company, and
 - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
- (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in section 102 of the Act shall be deemed to be special.
- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management

and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with section 103 of the Act. Subject to the provisions of section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, 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.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If the Chairman is not present at any meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of the remaining Directors as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate 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.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company 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 the same by way of postal ballot.

- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

- (a) No Shareholder shall be entitled to vote 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 name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint-holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in

respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the 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. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of

every vote tendered at such poll.

- (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of:
 -
 - a) the names of the Directors and Alternate Directors present at each General Meeting;
 - b) all Resolutions and proceedings of General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on

behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Agreement. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.
- (c) Subject to the provisions of the Act and the Listing Agreement, the Chairman may be appointed as the managing director or the chief executive officer of the Company.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to section 161 of the Act, any Director (hereinafter called “**the Original Director**”) shall be entitled to nominate an alternate director (subject to such person being acceptable to the Chairman) (the “**Alternate Director**”) to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director during the Original Director’s absence for a period of not less than three months from India. An Alternate Director appointed under this Article 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 office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to

retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Clause 49 of the Listing Agreement.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Agreement, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to section 197 of the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/or other expenses, in addition to his fee for attending such Board/Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:

- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
- (ii) he applies to be adjudicated an insolvent; or
- (iii) he is adjudged an insolvent; or
- (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
- (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
- (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or
- (vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of section 185 of the Act; or
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- (ix) he acts in contravention of section 184 of the Act; or
- (x) he becomes disqualified by an order of the court under section 203 of the Companies Act, 1956; or
- (xi) he is removed in pursuance of section 169 of the Act; or
- (xii) he is disqualified under section 164 of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :
 - i. sale, purchase or supply of any goods or materials;
 - ii. selling or otherwise disposing of, or buying, property of any kind;
 - iii. leasing of property of any kind;
 - iv. availing or rendering of any services;
 - v. appointment of any agent for purchase or sale of goods, materials, services or property;
 - vi. such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

vii. underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Special Resolution in accordance with section 188 of the Act.

- (b) no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Companies Act, 2013
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed 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 in the manner provided in section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
 - (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,
 - 1. in his being –

- I. a director of such company, and
 - II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or
2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as section 188 or section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) 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.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been 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) 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.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in section 170 of the Act and shall otherwise comply with the provisions of the said section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by section 170 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/MANAGER

Subject to the provisions of section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) /whole time director(s) /executive director(s)/manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/whole time director(s)/executive director(s)/manager, and if he ceases to hold the office of a Managing Director(s)/whole time director(s)/executive director(s)/manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/MANAGER

The remuneration of the Managing Director(s)/whole time director(s)/executive director(s)/manager shall (subject to sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in

such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/whole time director(s)/executive director(s)/manager(s) in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/whole time director(s)/executive director(s)/manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under section 68 of the Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees/compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Agreement.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
- (b) to borrow money; and

- (c) any such other matter as may be prescribed under the Act, the Listing Agreement and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held in Bengaluru, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any Director shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

- (a) Quorum for Board Meetings

Subject to the provisions of section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with

the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) 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.

72. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
 - i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of section 180 of the Act;
 - ii. Remit, or give time for repayment of, any debt due by a Director;
 - iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
 - iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

74. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Agreement. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of section 179 of the Act, delegate any of its powers to the Managing

Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Agreement, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all 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 provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) the names of the Directors present at each meeting of the Board;
 - (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such

prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

- (a) Subject to the provisions of section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and

- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The Company shall also be at liberty to have an official Seal(s) in accordance with section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.
- (c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by (i) 2 (two) Directors or (ii) by 1 (one) Director and the Secretary or (iii) by 1 (one) Director and any other person as may be authorised by the Board for that purpose.

86. ACCOUNTS

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, 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. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
 - i. the extract of the annual return as provided under sub-section (3) of section 92 of the Act;
 - ii. number of meetings of the Board;
 - iii. Directors' responsibility statement as per the provisions of section 134 (5) of the Act;
 - iv. a statement on declaration given by Independent Directors under sub-section (6) of section 149 of the Act;
 - v. in the event applicable, as specified under sub-section (1) of section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act;

- vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - 1. by the auditor in his report; and
 - 2. by the company secretary in practice in his secretarial audit report;
 - vii. particulars of loans, guarantees or investments under section 186 of the Act;
 - viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;
 - ix. the state of the company's affairs;
 - x. the amounts, if any, which it proposes to carry to any reserves;
 - xi. the amount, if any, which it recommends should be paid by way of Dividends;
 - xii. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
 - xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - xiv. a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
 - xv. the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
 - xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and
 - xvii. such other matters as may be prescribed under the Law, from time to time.
- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

87. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of section 115 of the Act and all the other provision of section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (i) The persons qualified for appointment as Auditors shall be only those referred to in section 141 of the Act.
- (j) None of the persons mentioned in section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become

entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (i) To the Shareholders of the Company as provided by these Articles.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c)
 - (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of section 123 of the Act out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
 - 1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
 - 2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of section 123 of the Act against both.
 - (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f)
 - (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
 - (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
 - (iii) 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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

- (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (j) Subject to section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.
- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend of HCGJ".
- (b) Any money so 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 Fund established under sub-section (1) of section 125 of the Act, viz. "Investors Education and Protection Fund".
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes

barred by Law.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize 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 Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and
 - ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (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 shareholders, 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 shareholders or different classes of shareholders.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part , or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

- (a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.
- (b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (c) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

107. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

PART B

1. APPLICATION OF TABLE ‘F’

Regulations contained in Table “F” in the First Schedule to the Companies Act, 2013 (the “**Act**”) shall not apply to the Company.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In the interpretation of these Articles of Association, unless repugnant to the context or meaning thereof, the following words and expressions shall have the meanings assigned to them in this Article 2.

“**Accounts**” means the consolidated balance sheet and the profit and loss account of the Company together with any notes, reports, statements, documents included in or annexed thereto prepared in accordance with Indian GAAP.

“**Act**” means the Companies Act, 2013 (to the extent notified by the Government of India and currently in force) or the Companies Act, 1956 (to the extent not repealed and replaced by notified provisions of the Companies Act, 2013), and any amendments, re-enactments or other statutory modifications thereof for the time being in force.

“**Affiliate**” in relation to a Party which is:

- (a) A corporate entity, means collectively, any Entity or Person, which Controls, is Controlled by, or is under the common control of such a Party; and
- (b) An individual, means collectively any Entity or Person which is Controlled by such a Party or such a Party’s Related Party.

Affiliate shall mean any Affiliate of the Party or any other Affiliate of any of the Affiliates, referred to individually.

“**Affirmative Vote Matters**” means collectively the Affirmative Vote Critical Matters, Affirmative Vote Operational Matters and Affirmative Vote Matters - Promoter.

“**Affirmative Vote Critical Matters**” means any of the critical matters specified in Article 29.3 below; (a) the pursuit of which matter in the Company in any manner whatsoever would always require the prior written consent of each of IBOF, VSIPL and PEOF I in the manner contemplated in Article 29.2 of these Articles and the Agreement and (b) in respect of which the passing of any resolution at a Shareholders Meeting or a Board Meeting would always require an Affirmative Voting of each of IBOF, VSIPL and PEOF I in the manner contemplated in Article 29.2 of these Articles and the Agreement.

“**Affirmative Vote Operational Matters**” means any of the operational matters specified in Article 29.4 below hereto in respect of which the passing of any resolution at a Shareholders Meeting or a Board Meeting would always require a mutual consultation by and amongst the Investors and an Affirmative Majority Voting.

“**Affirmative Vote Matters– Promoter**” means any of the matters specified in Article 29.5 below: (a) the pursuit of which matter in the Company in any manner whatsoever would always require the prior written consent of the Promoter in the manner contemplated in Article 29.2 below of these Articles and the Agreement and (b) in respect of which the passing any resolution at a Shareholders Meeting or the Board Meeting would always require an Affirmative Voting of the Promoter in the manner contemplated in Article 29.2 below of these Articles and the Agreement.

“**Affirmative Majority Vote**” means the affirmative vote in favor of any Affirmative Vote Right

Operational Matters by a majority of PIOF I Directors, VISPL Directors and IBOF Directors at either a Board Meeting or through a Circular Resolution and (b) by the authorized Representatives of a majority of the Investors at a Shareholders Meeting and the term “Affirmative Majority Voting” shall be construed accordingly.

“Affirmative Vote” means the following and the term “Affirmative Voting” shall be construed accordingly:

- (a) The affirmative vote in favor of any Affirmative Vote Critical Matters by: (a) each of VISPL Director and PIOF I Director and IBOF Director at either a Board Meeting or through a Circular Resolution; and (b) an authorized Representative of each of VISPL, IBOF and PIOF I at a Shareholders Meeting;
- (b) The affirmative vote in favor of any Affirmative Vote Matter Promoter by: (a) the Promoter at either a Board Meeting or through a Circular Resolution; and (b) an authorized Representative of the Promoter at a Shareholders Meeting.

“Agenda” means the agenda for a meeting of the Board, which sets out in reasonable detail the items of business proposed to be transacted at the meeting.

“Agreement” shall mean the Shareholders Agreement dated May 16, 2015 and includes any recitals, schedules, annexure or exhibits that may be annexed thereto and any written amendment made to the Agreement in accordance with the terms of the Agreement.

“Aggrieved Party” means a the Company, the Promoter or any of the Investors as the case may be, who is aggrieved by a Breach of any other Party.

“Annual General Meeting” means General Meeting of the Members of the Company duly called, constituted and held in accordance with the provisions of section 96 of the Act, and includes any adjourned meeting thereof.

“Approvals” includes any consent, licence, permit, clearance, sanction, no objection certificate, registration, filing, or other authorisation of any nature which is required to be granted by, or made with, the Government or under applicable Law.

“Articles” means the articles of association of the Company in force from time to time.

“Auditor” means the independent public accounting firm appointed as the statutory auditor of the Company.

“Beneficial Owner” shall mean the Beneficial Owner as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.

“Big Four Accounting Firm” means any of Deloitte, Haskins & Sells, Ernst & Young, KPMG or Pricewaterhouse Coopers.

“Board or Board of Directors” means the board of directors of the Company from time to time.

“Board Meeting” means a meeting of the Board including a meeting of any committees of the Board.

“Business” means and includes:

- (a) the ownership and/or operation of oncology care centres and cancer hospitals;
- (b) the ownership and/or operation of cancer hospitals having surgical oncology;
- (c) the provision of radiation therapy, medical oncology and all related facilities
- (d) the ownership and/or operation of multispecialty hospitals or any divisions thereof, including pharmacies within the hospitals owned/operated by the Company or any of its Subsidiaries (it

being clarified that the business of the Company or any of its Subsidiaries shall not include ownership or operation of any stand alone/independent pharmacies);

- (e) the manufacture of isotopes; clinical research and biomarker research;
- (f) diagnostic services including but not restricted to the operation of PET-CT machines using isotopes for high end diagnostics; and
- (g) Any other activity (i) approved independently by each of the Investors (for such time as they respectively hold 5% (Five percent) of the Total Issued Shares) and (ii) covered under the objects clause of the Revised Charter Documents of the Company.

“Business Day” means any working day other than: (i) the day which has been declared and notified by the Government of India in the Official Gazette to be a “Public Holiday” as referred to in the Explanation to section 25 of the Negotiable Instruments Act, 1881; (ii) any day on which Scheduled Banks in Bengaluru and Mumbai are closed for business and (iii) any day on which banks in Singapore are closed for business.

“Business Plan” means and includes the business strategy, project details, project costs, means of finance, projected financial statements (including profit & loss account, balance sheet and cash flow statements) for each Financial Year as adopted by the Board and which, and would form the basis of management of the Business of the Company until such time that the same is duly updated/revised with the consent of the Board.

“Breach” means any act or omission or untrue, inaccurate or misleading statement or misrepresentation that constitutes a material breach of an obligation or covenants, by any one or more of the Parties, as the case may be, and includes the failure of anyone or more of the Parties, as the case may be, to perform their respective obligations under the Agreement and the term “Breached” would be construed accordingly.

“Breach Notice” means the written notice issued by an Aggrieved Party to the Party in Breach notifying the alleged occurrence of a Breach.

“Bye-laws” means bye-laws made by a Depository under section 26 of the Depositories Act, 1996:

“Chairman” means the Chairman for the time being, of the Board.

“Claim” means any contractual, legal, administrative or regulatory proceedings against any one or more of the Parties alleging any act or omission or non-performance or failure by any one or more of the Parties to perform any of their respective obligation, representation, warranty or covenants under any contract or agreement (including the Agreement), or Law and includes the issue of a writ or notice or summons or cross claim or counter claim issued or initiated against or fixed upon any one or more of the Parties to the Agreement.

“Commitment Agreement” means the commitment agreement which will be required to be executed by and amongst each Stock Option Shareholder and the Company as a condition precedent to the exercise of the Stock Options, pursuant to which the Stock Option Shareholders would be binding themselves to the Stock Option Shareholder Commitments. .

“Company” means HealthCare Global Enterprises Limited.

“Consent” means any consent, approval, authorisation, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Person.

“Consultant/s” means any Person appointed by the Company for rendering medical consultancy services to third parties in the course of business operations of the Company.

“Company Brand Names” means the trade names, brand names, logos, common law trademarks, service marks, domain names and universal resource locators owned by the Company including their

registrations and applications throughout the world.

“Competitor” means any Person who is listed as a competitor of the Company and/or the Promoter which is engaged in the Business or has a stated intent of entering the Business (but not including any professional investor who is not a Competitor and who is not under the common control of a Competitor) in a dynamic list comprising at any point in time not more than a total of 8 (eight) competitors. The current list of Competitors are given below which list shall be modified from time to time by the Promoter at his sole discretion and not more than 1 (one) such modification shall be made during any period of 12 (twelve) calendar months. In this context it is clarified that the first such modification, if any, shall be made only after the expiry of 12 (twelve) calendar months after the date of the execution of the Agreement and any subsequent modifications, if any, can be made only after the expiry of a period of 12 (twelve) calendar months from the date on which the latest modification was made:

- (a) Apollo Hospitals;
- (b) Manipal Hospitals;
- (c) Narayana Hrudayalaya -Mazumdar Shaw Cancer Centre;
- (d) Fortis Hospitals;
- (e) Medicity, Delhi; and
- (f) Tata Memorial Hospitals.

“Control” means the: (a) beneficial ownership, Directly or Indirectly, of not less than 26% (Twenty Six percent) of the voting securities of such Person or Entity; or (b) the possession, Directly or Indirectly, of the power to: (i) constitute a majority of the Persons on the board of a Person or Entity; or; (ii) direct or cause the direction of the management policies of the Person or Entity whether through the ownership, Directly or Indirectly, of the voting securities of such Person or Entity or by contract or otherwise and the term **“Controlled”** shall be construed accordingly.

“Controlling Interest” means either the: (a) beneficial ownership, Directly or Indirectly, of the voting securities of such Person or Entity; or (b) the possession, Directly or Indirectly, of the power to: (i) constitute a majority of the Persons on the board of a Person or Entity or; (ii) direct or cause the direction of the management policies of the Person or Entity whether through the ownership, Directly or Indirectly, of the voting securities of such Person or Entity or by contract or otherwise.

“Corporate Restructuring” means any corporate restructuring of the Company and/or its Subsidiaries pursuant to a transaction involving either an issue of additional securities for capital raising by the Company or obtaining of a Debt funding by the Company or a consummation in the Company of a transaction of merger or an acquisition or divestment or consolidation or any other form of corporate restructuring for expanding the business of the Company including: (a) the entry by the Company into any new business or any investment or a major reorganization of the Company including any of the above involving a material subsidiary of the Company; or (b) any material change in the scope, nature, and/or activities of the Business.

“Damages” means any Liabilities, damages, Losses, costs and expenses (including actions or proceedings in respect thereof), including reasonable attorneys’ fees and expenses; provided that for purposes of computing the amount of Damages suffered by any Party to the Agreement, there shall be deducted an amount equal to the sum of any insurance proceeds, received by that Party in connection with such Damages or the circumstances giving rise thereto.

“Debt” or “Indebtedness” shall mean at any time the aggregate of the following in relation to any Person:

- (a) The outstanding principal amount of any monies borrowed including a overdraft debit balance;
- (b) The outstanding principal amount or the nominal amount of any debenture, bond, note, loan stock or other similar security under which any indebtedness is incurred;
- (c) The outstanding principal amount of any acceptance under any acceptance credit opened by a bank or other financial institution;

- (d) The outstanding principal amount of any indebtedness arising from any advance or deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;
- (e) The capitalized element of indebtedness in respect of any lease entered into primarily as a method of raising finance or financing the acquisition of the asset leased;
- (f) The outstanding principal amount of all monies owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);
- (g) That portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with Indian GAAP;
- (h) Notes payable and drafts accepted representing extensions of credit;
- (i) Any obligation owed for all or any part of the deferred purchase price of property or services;
- (j) All guarantees of any nature extended by such Person with respect to Indebtedness of any other person;
- (k) All contingent liabilities and any other indebtedness for borrowed money;
- (l) All indebtedness and obligations of the types described in the foregoing clauses (a) through (f) to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person.

“Directly or Indirectly” in relation to a Party means and includes any direct or indirect action(s) on the part of or by or on behalf of the Party in question either by himself or herself or in conjunction with or on behalf of any Person including through an Affiliate whether as an employee, consultant, proprietor, partner, director, contractor or otherwise, whether for profit or otherwise.

“Depository” shall mean a Depository as defined under clause (e) of sub section (1) of section 2 of the Depositories act, 1996.

“Depositories Act” means the Depositories act, 1996 including any statutory modifications or re-enactment thereof for the time being in force:

“Director” means a director of the Company or any of its Subsidiaries, as the case may be duly appointed in accordance with the Act, these Articles and the Agreement.

“Dividend” includes interim dividend and bonus.

“EBITDA” means earnings before interest tax depreciation and amortization.

“Employee” means either confirmed or permanent employee of the Company working in India or outside India and includes Key Employees as well as Persons who are under probation in accordance with the terms of appointment letters issued by the Company. An Employee shall continue to be an employee during the period of: (i) any leave of absence approved by the Company; or (ii) transfers between locations of the Company or between the Company, its Subsidiaries, if any, or any successor.

“Employee Stock Pool” means the employee stock option pool comprising of 5,300,000 (five million and three hundred thousand) Stock Options.

“Employee Stock Option Schemes” mean the employee stock option schemes of the Company comprising of the Employee Stock Pool.

“Existing Financial Investors” means IBOF, VISPL and PIOF jointly.

“Entity” means any legal or natural person, an individual, corporation, partnership, and limited liability company, companies with unlimited liability, association and trust or any other entity or organization.

“Equity Shares” means the equity shares of the Company having a face value of Rs. 10 (Rupees Ten only), each of which ranks pari passu with one another in all respects.

“Execution Date” means the date of execution of the Agreement.

“Extraordinary General Meeting” means an extraordinary general meeting of the Members duly called, constituted and held in accordance with the Act, and includes any adjourned meeting thereof.

“Form of the Deed of Adherence” means the form of the Deed of Adherence proposed to be executed by and amongst the Parties to the Agreement and a Third Party who proposes to purchase the Equity Shares from any of the Shareholders.

“Financial Year” means the 12 (twelve) months period commencing on April 1 of the previous year and ending on March 31 of the given calendar year.

“Fortis Group” means and includes Fortis Healthcare and the Fortis Promoters but excluding IBOF Managed Funds.

“Fortis Healthcare” means and includes Fortis Healthcare Limited, any of its Subsidiaries, its fellow Subsidiaries, its holding company and its Affiliates.

“Fortis Promoters” means and includes the Promoters of Fortis Healthcare and their Affiliates.

“Fully Diluted Basis” means the total of all classes and series of shares outstanding combined with all options (including both issued and unissued), any warrants (including both issued and unissued) and convertible securities of all kinds and the effect of any anti-dilution protection regarding previous financings, all on the basis that all the Stock Options and all other convertible Securities and all other shares issued or granted or allotted by the Company have all been converted into Equity Shares.

“General Meeting” means a general meeting of the Members and includes an Annual General Meeting and Extraordinary General Meeting.

“Government” includes the President of India, Government of India, Governor or the Government of any State in India, any ministry or department of the above, as well as any local, regulatory, statutory or other authority exercising powers conferred by applicable Law.

“Governmental Approval” means Consents or permissions of Governmental Authority which are required in connection with the execution, delivery and the consummation of the transactions/obligations contemplated under the Agreement.

“Governmental Authority” means government of any country and includes the Government of India or any central or state or union government in any country or any other political subdivision thereof; any Entity, authority or body exercising executive, legislative, quasi-judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of such country or any political subdivision thereof; and any self-regulatory organization.

“IBOF” means IBOF Investment Management Advisors Private Limited in which company Controlling Interest of the Fortis Healthcare and/or Fortis Promoters shall not at any time in the aggregate exceed 50% (Fifty Percent) in any manner whatsoever.

“IBOF Directors” means such Person as may be nominated by IBOF as a nominee Director/director (as the case may be) of the Company, its Subsidiaries, and any joint ventures of the foregoing in accordance with these Articles and the Agreement and as provided for in the articles of association of Subsidiary/such joint venture (as the case may be), and where applicable shall include such IBOF Director's alternate.

“IBOF Managed Funds” means any current or future funds managed by IBOF and in which fund:

- (a) the contribution of the Fortis Healthcare and/or Fortis Promoters shall not at any time in the aggregate exceed 50% (fifty percent) of the total contribution of the fund; or
- (b) the Controlling Interest of the Fortis Healthcare and/or Fortis Promoters shall not at any time in the aggregate exceed 50% (fifty percent) in any other manner whatsoever.

“IBOF Shares” shall mean all the Shares held by IBOF (including the Shares acquired by IBOF from IDF).

“IDF” shall mean India Development Fund having its principal office at 201, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai: 400-051, a unit scheme of IDFC Infrastructure Fund (being a trust created under the Indian Trusts Act, 1882).

“Indian GAAP” means the Indian Generally Accepted Accounting Principles.

“Independent Directors” shall have the meaning assigned to it under section 149(6) of the Act.

“INR” or **“Rs”** or **“Rupees”** shall mean Indian Rupees, the lawful currency of India.

“Insolvency Proceedings” shall mean any form of bankruptcy, liquidation, receivership, administration, arrangement or scheme with creditors, moratorium, interim or provisional supervision by the court or court appointee, whether in the jurisdiction of the place of incorporation or in any other jurisdiction, whether in or out of court.

“Investor” or **“Investors”** means VISPL, PIOF I and IBOF either individually or collectively as the context may require.

“Investor Directors” means collectively the VISPL Directors, PIOF I Directors and IBOF Director.

“IPO/Offer for Sale” shall mean the initial public offering/offer for sale of Shares and listing of the Shares on a Stock Exchange where the Shares are, or are permitted to be, listed as part of such initial public offering/offer for sale.

“Key Employees” means collectively the Promoter, Managing Director, Finance Head, and all the Persons who directly report to the Promoter and such other Employees as may be designated as Key Employees by the Board of Directors of the Company, and includes those personnel identified under section 2(51) of the Act.

“Law” means all applicable provisions of all:

- (a) Constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances or orders of any Governmental Authority;
- (b) Governmental Approvals; and
- (c) Orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Governmental Authority.

“Lien” or **“Encumbrance”** means any mortgage, pledge, trust, hypothecation, right of others, security interest, encumbrance, burden, title defect, title retention agreement, lease, sublease, license, occupancy agreement, easement, covenants, condition, encroachment, voting trust agreement, interest, option, right of first offer, negotiation or refusal, proxy, charge or other restrictions or limitations of any nature whatsoever, including but not limited to such lien as may arise under any contract, agreement, arrangement, commitment or undertaking.

“Liabilities” means any and all Debts, contractual, statutory and any other liabilities of whatsoever nature, obligations, Claims, Damages, expenses whether accrued or fixed, absolute or contingent,

matured or unmatured or determined or determinable, including, without limitation, those arising under any Law, action or order by any Governmental Authority and includes but not limited to those arising under any contract, agreement, arrangement, commitment or undertaking.

“Loss” means all Liabilities (whether known or unknown, matured or unmatured, stated or unstated, fixed or contingent), obligations, Damages of any kind, judgments, Liens, injunctions, charges, orders, decrees, rulings, demands, Claims, losses, assessments, Taxes, fines, penalties, expenses, fees, costs, and amounts paid in settlement (including reasonable attorneys’ and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action).

“Majority Shareholders” means collectively the Investors and the Promoter.

“MAT” means Milestone Army Trust, an Indian trust, having its principal office at 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (East), Mumbai – 400051, Maharashtra.

“Material Adverse Effect” shall mean circumstances or events, which either individually or collectively, with other events, circumstances, changes and effects as are or may, reasonably be expected to have a material adverse effect upon the Company, its business, assets, Intellectual Properties, operations, results of operations, immovable properties, Liabilities, financial position (including without limitation any material increase in provisions), prospects or condition of the Company; and includes any material change in any relevant Laws, regulations or policies in any of the jurisdictions in which the Company does business.

“Material Non-Performance” means the under achievement by the Company of the agreed Business Plan which would have an adverse impact of not less than 20% (Twenty percent) to the Company’s consolidated EBITDA (Earnings Before Interest Tax Depreciation and Amortization) in a single financial year.

“Member(s)” mean the duly registered holder, from time to time of the Shares of the Company.

“Memorandum” means the memorandum of association of the Company in force from time to time.

“MPEF” means Milestone Private Equity Fund, an Indian trust, registered with Securities and Exchange Board of India as a Venture Capital Fund having its principal office at 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (East), Mumbai – 400051, Maharashtra through its scheme namely INDIA BUILD-OUT FUND-I.

“Month” means calendar month.

“Other Minority Shareholders” means the minority Shareholders other than the Stock Option Shareholders, the Promoter and the Investors. With reference to a shareholder who is both a Stock Option Shareholder and an Other Minority Shareholder, this definition would apply to such a Shareholder only in respect of Shares which have been issued and allotted other than pursuant to the exercise of the Stock Options.

“Option Agreement” means the option agreement proposed to be executed by and amongst each Stock Option Holder and the Company the form of which will be mutually agreed upon between the Parties hereto and the Commitment Agreement shall be an annexure and integral part of the Option Agreement.

“Party” means each of the Company, VSIPL, PIOF, the Promoter and IBOF, and **“Parties”** means all of them.

“Person” means and includes an individual, a sole proprietorship, an association, syndicate, a corporation, a firm, a partnership, a joint venture, a trust, an unincorporated organization, a joint stock company or other Entity or organization, body corporate, corporation, Governmental Authority, judicial authority, a natural person in his capacity as trustee, executor, administrator, or other legal Representative and any other Entity including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal Entity.

“PIOF I” means PI Opportunities Fund – I, a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations 1996, and having its principal office at #5 Janmabhoomi Marg, Fort, Mumbai 400 023, Maharashtra.

“PIOF Directors” means such Person(s) as may be nominated by PIOF as a nominee Director/director (as the case may be) of the Company, its Subsidiaries, and any joint ventures of the foregoing in accordance with these Article and the Agreement and as provided for in the articles of association of the Company/Subsidiary/such joint venture (as the case may be), and where applicable shall include such PIOF I Director’s alternate.

“PIOF Shares” shall mean all the Shares held by PIOF (including the Shares acquired by PIOF from Napean Trading & Investments Company Private Limited and IDF).

“Price Protection Right” shall mean the right of an acquirer of Shares to be compensated, in any manner whatsoever, for subsequent issue of Shares, if the price per share at which the subsequent issue of Shares is made is less than the price per share at which Shares were issued to such acquirer”

“Promoter” means Dr. B. S. Ajai Kumar.

“Promoter Directors” means such Person(s) as may be nominated by the Promoter as a nominee Director/director (as the case may be) of the Company, its Subsidiaries, and any joint ventures of the foregoing in accordance with these Articles and/or the Agreement and as provided for in the articles of association of the Company/Subsidiary/such joint venture (as the case may be), and where applicable shall include such Promoter Director’s alternate.

“Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations.

“Related Party” shall mean: (i) the Promoter or any Affiliate thereof or other Person related to such Promoter in terms of section 2(77) of the Act, as amended from time to time; (ii) any associated enterprise of the Company or the Subsidiaries or the Promoter within the meaning of section 92A of the Indian Income Tax Act, 1961, as amended from time to time; (iii) any Person related to the Company or the Subsidiaries or the Promoter in terms of the definition ascribed in Accounting Standard (AS) 18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India; or (iv) any Person associated with the Company in terms of section 2(76) of the Act.

“Relative” shall have the meaning ascribed to it in section 2(77) of the Act.

“Relevant Investor” means either VSIPL or PIOF I or IBOF, as the case may be.

“Representative” means, as to any Party, the Party’s duly authorized accountants, counsel, consultants (including actuarial, and industry consultants), officers, directors, employees, agents, proxies and any other advisors and representatives.

“Register of Members” means the Register of Members maintained by the Company pursuant to the provisions contained in section 88 of the Act.

“Restricted Business” means any or all the business, including the Business in any territory, whether in India or overseas, at the relevant point in time when the term is reckoned by any of the Shareholders or proposed to be pursued by the Company in the immediate future.

“Rules” shall mean all the rules expounded under the Companies Act, 2013.

“Sale Shares” shall have the meaning as provided in Article 13.5 (b).

“Seal” means the common seal for the time being of the Company.

“SEBI” means the Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.

“Securities” shall have the meaning ascribed thereto in Clause 2(h) of the Securities Contract (Regulation) Act, 1956.

“Shares” means all the category of shares issued and allotted by the Company from time to time.

“Shareholder” or “Shareholders” shall mean any Person/s who holds any shares of the Company and whose names have been entered as a member in the Register of Members.

“Share Capital” means the issued and fully paid-up equity share capital of the Company.

“Shareholders Meeting” means the Annual General Meetings and/or Extraordinary General Meetings of the Shareholders of the Company

“Shareholding Percentage” in relation to any Shareholder, means the percentage of Share Capital beneficially owned by that Shareholder for the time being.

“Stock Exchange” means a recognised stock exchange in India.

“Stock Options” means the stock options that may be granted by the Board under the Employee Stock Option Scheme each of which would convert in to one Equity Share.

“Stock Option Holders” mean all persons who are granted Stock Options.

“Stock Option Shareholders” means all the shareholders of the Company who have been issued and allotted Shares consequent upon exercise of the Stock Options and with reference to a shareholder who is both a Stock Option Shareholder and an Other Minority Shareholder this definition would apply to such a shareholder only in respect of Shares issued and allotted upon exercise of the Stock Options.

“Stock Option Shareholders Commitments” means the commitments required to be assumed by the Stock Option Shareholders at the time of, and as a condition precedent to the exercise of the Stock Options.

“Subsidiary” or “Subsidiaries” shall have the same meaning as provided for in section 2 (87) of the Act insofar as any existing subsidiary or subsidiaries of the Company at the material time when the term is reckoned.

“Super-Majority Resolution” means a resolution passed at a duly convened and quorate meeting of the Board approved by:

- (a) The requisite majority of the Directors required for the passing of the relevant resolution under the Act;
- (b) An Affirmative Voting in respect of an Affirmative Vote Critical Matters and Affirmative Vote Matters –Promoter; and
- (c) An Affirmative Majority Voting in respect of an Affirmative Vote Operational Matters.

“Third Party” means any Persons other than the Parties and the term “Third Parties” shall be construed accordingly.

“Total Issued Shares” means the total issued shares of the Company being the aggregate of all the Equity Shares, the Employee Stock Pool and all other Securities issued or granted or allotted by the Company, from time to time, each of which would be considered on a Fully Diluted Basis.

“Transfer” shall include any action which has the effect of creating any Third Party interest in or over the Shares, or sale, creation of a pledge or a Lien, or any other encumbrance or any other security in or over the Shares, and renunciation of a right to subscribe to the Shares in the Company in favour of a Third Party in a rights issue by the Company or a change of Control of the Company or its Subsidiaries and the term **“Transferred”** shall be construed accordingly.

“VSIPL Directors” means such Person(s) as may be nominated by VSIPL as a nominee Director/director (as the case may be) of the Company, its Subsidiaries, and any joint ventures of the foregoing in accordance with these Articles and the Agreement and as provided for in the articles of association of the Company/Subsidiary/such joint venture (as the case may be), and where applicable shall include such VSIPL Director’s alternate.

2.2 Interpretation

In these Articles, unless the context otherwise requires:

- (a) References to a statute, ordinance or other Law shall be deemed to include any references to a statute, ordinance or other Law as amended, supplemented or replaced from time to time in accordance with its terms and (where applicable) subject to compliance with the requirements set forth therein;
- (b) Any reference in these Articles to a statutory provision includes that provision and any regulations made in pursuance thereof, as from time to time modified or re-enacted, whether before or after the date of these Articles, and (so far as liability thereunder may exist or can arise) shall also include any past statutory provisions or regulations (as from time to time modified or re-enacted) which such provisions or regulations have directly or indirectly replaced;
- (c) References to a statute, ordinance or other Law shall be deemed to include regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- (e) headings are inserted for ease of reference only and are not to be used to define, interpret or limit any of the provisions of these Articles;
- (f) references to the singular number shall include references to the plural number and vice versa;
- (g) words denoting one gender include all genders;
- (h) The word “includes” wherever used in these Articles shall always unconditionally be deemed to have been qualified with the words “but not limited to”;
- (i) The word “sole discretion” wherever used in these Articles shall always unconditionally be deemed to have been qualified with the words “but not under an obligation to”;
- (j) any reference to a time limit in these Articles means the time limit set out in the relevant Article or such other time limit which may be mutually agreed by the Parties in writing; and
- (k) no provisions of these Articles shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.
- (l) Terms not expressly defined herein but defined in the Existing Shareholders Agreement, IBOF Agreement and the Agreement shall have the same meanings ascribed to them when used in these Articles.

3. PUBLIC COMPANY

The Company is a Public Limited Company within the meaning of the Act with a minimum paid up capital of INR 5,00,000 (Indian Rupees five lakhs) or such other paid up capital as may be prescribed in accordance with the Act, these Articles and the Agreement.

4. SHARE CAPITAL AND SHARES

4.1 Authorized Capital: The authorized Capital of the Company shall be as prescribed under Clause V of the Memorandum from time to time.

4.2 Issued and Paid-Up Capital: The issued and paid-up Capital of the Company shall be as determined from time to time in accordance with the Act, these Articles and the Agreement.

- (i) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (ii) Subject to sub-article (i) above, all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

4.3 Certain Powers of the Company:

Subject to the provisions of the Act, these Articles and the Agreement, the Company may and shall have the power, from time to time by resolution, to:

- (a) Increase, reduce or divide the Shares in the, Capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions and to vary the same from time to time, as may be determined by or in accordance with these Articles and the Act;
- (b) Consolidate, re-organise, re-classify and/or divide all or any of the Capital into Shares of larger amount than its existing Shares;
- (c) Re-organise and/or sub-divide its Shares, or any of them into Shares of smaller amount than that originally fixed by the Memorandum; and/or
- (d) Cancel any Shares, which at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person and diminish the amount of its Capital by the amount of the Shares so cancelled.

4.4 Variation of Rights: Subject to the provisions of the Act, these Articles and the Agreement, the Company may at any time divide the Capital into different classes of Shares and the rights attached to the Shares of any class, may be varied, modified or abrogated with the consent in writing of the holders of not less than three fourth of the issued Shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the issued Shares of that class and the provisions herein contained as to General Meetings shall apply to such separate meetings of holders of any class of Shares.

4.5 Equity Share Capital:

- (a) The Investors shall not be required to pledge their shareholding in the Company as and by way of security for any loans or Indebtedness or Debt of the Company or provide any guarantee or any other support to any third party, including to the lenders of the Company.
- (b) The Shares held by the Investors would not be subject to lock-in at any point of time under any circumstances and will be freely tradable at their sole discretion, shall have the right to sell its equity investment, without any restrictions to anybody at any time, save and except for the certain restrictions provided in Article 13 and the Agreement.

- (c) The Investors shall not be deemed to be a sponsor/promoter for the purposes of an IPO/Offer for Sale or under the rules and regulations of SEBI/any Stock Exchange and/or for any other purpose.

4.6 Further Issue of Capital and Price Protection:

Subject to the provisions of the Act, the Agreement and Article 4.6 (a) to 4.6 (e) the Company may issue further to any person(s) in any manner whatsoever, if a special resolution to that effect is passed by the company in general meeting, or where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of directors in this behalf, that the proposal is most beneficial to the company.

- (a) [Not used]
- (b) The Company shall not, without the prior written consent of the Investors, issue additional shares at a price lower than the fair market value of such Equity Share as determined by one of the Big Four Accounting Firms, or Rs. 110. 68 as adjusted for stock splits, bonus issues, etc. whichever is greater; provided however that such consent shall not be required where such issuance of Equity Shares is pursuant to an IPO/Offer for Sale of the Shares as contemplated in the Agreement;
- (c) Subject to applicable Law, in the event where the Company decides to issue additional shares to any prospective third party investors in accordance with the terms of the Act, these Articles and the Agreement, the Promoter and the Investors shall have a right to subscribe to such number of additional shares, at the same terms and price as offered by such prospective third party investor(s), in order to enable the Promoters and the Investors to maintain their respective shareholding percentage in the Company. In addition, terms and conditions to the extent more beneficial (including but not limited to price and other shareholder rights) in such future issue of additional shares to the prospective third party investors shall, at the option of each of the Investors also be applicable in entirety to each of the Investors with respect to the Shares subscribed to and held by them it being understood that where any one or more of the Investors exercises their respective option, these Articles and the Agreement shall be either partially superseded or terminated by suitably making amendments or replacement by a new agreement reflecting the revised terms and conditions, as the case may be.
- (d) The Company shall ensure that any favorable terms and conditions granted by the Company to any existing equity investors with respect to shares already subscribed to by them shall also be applicable to IBOF and PIOF, at their sole option, with respect to the Shares held respectively by them in the Company.
- (e) The Board may also fund the Company through Debt provided that none of the Investors shall be required to provide any security for such a Debt including by way of pledge of Shares held by the Investors and/or provision of any guarantee to the lender.

4.7 Issue of Shares for Consideration other than Cash:

Subject to the provisions of the Act, these Articles and the Agreement, the Board may allot and issue Shares in the Capital of the Company in payment or part payment for any property, goods etc. or other machinery supplied, sold or transferred or for services rendered, to the Company.

- 4.8 Reduction of Capital: Subject to the provisions of the Act, these Articles and the Agreement, the Company shall have the power by special resolution to reduce in any manner its Capital, any capital redemption account or security premium account of the Company in the manner provided in the Act.

- 4.9 Power to issue Redeemable Preference Shares: Subject to the provisions of section 55 of the Act, the Company shall have the power to issue Preference Shares which are, or at the option of the Company are, liable to be redeemed, and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
- 4.10 Power to issue debentures: Subject to the provisions of the Act and the Agreement, the Company shall have the power to issue debentures, or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall either be non convertible or be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and otherwise.
- 4.11 Rights Issue: Where at any time it is proposed to increase the issued subscribed and paid up capital of the company by allotment of further shares, then the Board of Director may as envisaged under section 62(1) of the Act, subject to such modifications as permitted under the Act:
- (a) offer such further shares to the person(s) who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;
 - (b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (c) 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 person(s), who are either : (i) Shareholders as at the date of the offer or (ii) Affiliates of any Shareholders subject to sub-clause (d) below and the notice referred to in clause (b) shall contain a statement of this right;
 - (d) Notwithstanding Article 4.11(c) above, under no circumstances shall any Investor have the right to renounce the shares offered to them to any Person to whom the Investor is restricted from Transferring shares under the Agreement;
 - (e) [Not used];
 - (f) 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 those shares in such manner as they think most beneficial to the company.
- 4.12 Underwriting and Brokerage:
- (a) subject to the applicable provisions of the Act and the Agreement, the company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares in the company in accordance with the provisions of the companies (prospectus and allotment of securities) rules, 2014.
 - (b) the Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 4.13 Calls
- (a) Subject to the provisions of section 49 of the Act and the Agreement, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the

Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time 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 or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) The Board may, if it thinks fit (subject to the provisions of section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (i) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

- (j) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

4.14 Forfeiture of Share

- (a) Subject to the provisions of the Act and the Agreement, if any Shareholder fails to pay any call or instalment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of 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 the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

5. DUPLICATE SHARE CERTIFICATES:

Subject to the provisions of the Act, these Articles and the Agreement:

- 5.1 Every Person whose name is entered as a Member in the Register of Members shall be entitled to receive within three Months after allotment or within two Months after the application for the registration of transfer (or within such other period as the conditions of issue shall provide):
 - (a) one certificate for all his shares without payment; or
 - (b) several certificates, each for one or more of his shares, upon payment of one rupee for every certificate after the first.
- 5.2 Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- 5.3 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.
- 5.4. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding two rupees, and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the directors think fit.

6. SECURITIES UNDER CONTROL OF THE BOARD

- 6.1 The securities of the Company shall be under the control of the Board, subject to the provisions of the Act, these Articles and the Agreement.
- 6.2 The Transfer of Shares by the Stock Option Shareholders shall always be subject to the provisions contained in the Commitment Agreement.
- 6.3 The Company shall and the Promoter shall cause the Stock Option Holders to execute the Option Agreement with the Company as part of the process for the grant of the Stock Options, failing which

the grant of Stock Options shall be void.

- 6.4 The Company shall and the Promoter shall cause the Stock Option Shareholders to execute the Commitment Agreement with the Company as part of the process for the exercise of the Stock Options and as a condition precedent to the exercise of the Stock Options failing which the exercise of the Stock Options shall be void.
- 6.5 The Company shall and the Promoter shall cause the persons who have been granted Stock Options prior to January 20, 2013, to execute the Option Agreement and the Commitment Agreement as a part of the process for the exercise of the Stock Options and as a condition precedent to the exercise of such Stock Options, failing which the exercise of the Stock Options shall be void.
- 6.6 The Stock Option Shareholders and Mr. Gangadhara Ganapati shall not carry on or engage in, directly or indirectly, in any business which competes directly or indirectly with the Restricted Business except through the Company.
- 6.7 All Key Employees appointed by the Company will execute the key employment agreement.

7. SALE OF SHARES BY INVESTORS WITHOUT RESTRICTION AND TRANSFER OF SHARES BY RESTRICTED SHAREHOLDERS

- 7.1 The provisions of this Article 7 and the terms of the Agreement shall apply in the case of any sale of shares by the Investors (save and except for investor share sale with special rights) (“**Unrestricted Investor Right to Transfer Shares**”).
- 7.2 Subject to the remaining provisions of this Article 7 and subject to the restrictions, if any set forth in these Articles and the Agreement, the Shares beneficially owned by the Investors shall pursuant to the Unrestricted Investor Right to Sell Shares, be freely Transferable and the rights under these Articles and the Agreement shall be freely assignable, without any restriction of any nature whatsoever.

Notwithstanding anything contained herein, each Investor shall be entitled to Transfer Shares to its Affiliates without any restriction and/or reference to the Tag Along Right, mentioned above, provided that such Affiliate executes a Deed of Adherence as stipulated under the Agreement.

- 7.3 [Not used]
- 7.4 In the event the Relevant Investor proposes to Transfer any of the Shares held by them and/or assign any rights under these Articles and the in accordance with this Article 7, the Relevant Investor shall provide a notice to the Promoter notifying him of their intent to Transfer their Shares. The Promoter shall have the right within 30 days of the receipt of such notice to make an offer to the Relevant Investor to buy such Shares. If the offer thus made is unacceptable to the Relevant Investor, or if the Promoter fails to make an offer in the prescribed time, the Relevant Investor shall be free to Transfer the Shares and the Promoter and the Company shall provide co-operation and assistance to the Relevant Investors, including providing any potential purchaser and/or assignee with reasonable access to Company information as may be requested by the Relevant Investor and providing any assistance that may be required for obtaining Approvals.
- 7.5 Save and except in a case where the Company and/or the Promoter commit a Breach, the Relevant Investor shall not be entitled to Transfer any Shares, and/or assign any rights under these Articles and the Agreement to a Competitor without the prior approval of the Board.
- 7.6 Notwithstanding anything to the contrary contained in the Agreement, the shares of the Company beneficially owned by PIOF-I or VSIPL or any transferee thereof may at their sole discretion, be Transferred by PIOF-I or VSIPL or any transferee thereof to Fortis Hospital or any company in the Fortis Group.
- 7.7 The Promoter and the Stock Option Shareholders are collectively referred to as the “**Restricted Shareholders**”.

- 7.8 The Promoter agrees and undertakes not to Transfer his shareholding in the Company until March 31, 2015 or the date of IPO/Offer for Sale, whichever is later, except with the prior written consent of the Investors.
- 7.9 [Not used]
- 7.10 The Promoter shall obtain the prior written approval of the Investors prior to any Transfer of Shares held by the Promoter to any Related Party or Affiliates of the Promoter and such approval shall not unreasonably be withheld by the Investors.
- 7.11 The Promoter shall retain management control of the Company and there shall be no change in Control in relation to such Promoter as are corporate bodies.
- 7.12 [Not Used].
- 7.13 The Stock Option Shareholders are entitled to Transfer the shares they hold in the Company pursuant to the exercise of the Stock Options, subject to the provisions contained in the Commitment Agreement.
- 7.14 Subject to the provisions of Article 7 specified above in the event that the Promoter wishes to Transfer Directly or Indirectly, any Shares to any Person ("**Third Party Buyer**"), then, the Promoter shall grant to the Investors a Right of First Refusal and a Tag Along Right – On Promoter as detailed in Article 13.8 of these Articles and the Agreement.
- 7.15 In the event that none of the Investors deliver a notice contemplated under Article 13.8(e) below or a Response Notice to the Promoter as contemplated in Article 13.8(e) below prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period (Article 13.8(e)), the Promoter shall be entitled to sell and Transfer the Offered Shares (as defined in Article 13.8 (a) (i) below) to the Third Party Buyer on the same terms and conditions and for the same consideration as is specified in the Offer Notice. If completion of the Transfer to the Third Party Buyer does not take place within a period of 45 (Forty Five) Business Days following the expiry of the Offer Period, the Promoters' right to transfer the Offered Shares to such Third Party Buyer shall lapse and the provisions of the Article 7 and Article 13.8 shall once again apply to the Offered Shares.
- 7.16 Where any of the Investors requires prior legal, Governmental, regulatory or shareholder consent for an acquisition or disposal of Shares ("**the Relevant Investor**") pursuant to these Articles and the Agreement, then notwithstanding any other provision of these Articles and the Agreement the Relevant Investor shall only be obliged to acquire or dispose of Shares once such consent or approval is obtained, and the Promoter, Company or the Relevant Investor shall use their best endeavours to obtain any such required approvals. Any period within which a Transfer of such Shares by or to the Investor has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.
- 7.17 Notwithstanding anything to the contrary contained in these Articles and the Agreement or any other document, any Transfer under this Article 7 to a Third Party Buyer shall be permitted only if the following terms and conditions are satisfied:
- (a) Such Transfer is not made to a Third Party Buyer who is a Competitor of the Company;
 - (b) Such Transfer is not made on terms which are more favorable to the Third Party Buyer when compared to the terms offered to the Investors;
 - (c) The Third Party Buyer in question executes a Deed of Adherence as stipulated under the Agreement pursuant to which the Third Party binds itself to these Articles and the terms and conditions of the Agreement;
 - (d) The restrictions contained under the Articles above shall fall away on the date of the IPO/Offer for Sale.
- 7.18 Power of Company to purchase its own securities

Subject to the Act and the Agreement, pursuant to a resolution of the Board, the Company may purchase its Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

8. SPLITTING OF JOINT SHARE HOLDINGS OF SHARES

Subject to the provisions of the Act, these Articles and the Agreement, where the shareholders want splitting of joint holding of shares and register portion of them in their individual names as sole owners, an instrument of transfer shall be executed by all the joint holders as transferors and by the individual in whose sole name any shares are to be registered as the transferee.

9. TRANSMISSION OF SHARES

Subject to the provisions of the Act, these Articles and the Agreement:

- 9.1 On the death of sole Member, his nominee(s), if any, shall be the only Person(s) recognised by the Company as having any title to his interest in the shares to the exclusion of succession Laws applicable to the deceased Member.
- 9.2 Every Member shall deliver to the Company a nomination in accordance with and subject to the Rules made by the Board.
- 9.3 In case, the nomination is not made as provided above, it shall be deemed that a nomination has been made by the deceased Member himself, in the following order of precedence:
 - (a) a spouse, if any;
 - (b) child or children, if any, jointly;

Explanation: This includes both unmarried and married children of both sexes.

10. NOMINATION

Subject to the provisions of the Act, these Articles and the Agreement, holders of Shares/Debentures may nominate a Person to whom its Shares in, or the debentures of the Company, shall vest, in accordance with the provisions contained in section 72 of the Act.

11. BUY BACK OF SHARES WHERE EXIT OPTIONS NOT PURSUED

- 11.1 In accordance with sections 68, 69 and 70 of the Act and the Agreement, on or before March 31, 2016, the Company and the Promoter shall after notifying all the Investors, buy back all the Existing Shares then held by the Investors (subject to applicable provisions of the Act and applicable Law and subject to the consent of the concerned Investors), on a pro rata basis (based on the Shares held by each participating Investor) at a price determined pursuant to the valuation of the Existing Shares by an independent firm of repute, jointly appointed by the Investors and the Company ("**Determined Price for Existing Shares**") which Determined Price for Existing Shares shall provide each of the Investors a return which would not be less than an internal rate of return of 18% (Eighteen percent) per annum compounded annually over their respective investment price per Existing Share computed from the respective dates of their respective investments (hereinafter referred to as the "**Share Buy Back**"). "**Existing Shares**" shall mean the Equity Shares held by each Investor excluding the Subscription Shares. On or before March 31, 2016 the Company shall after notifying all the Investors, buy back all the Subscription Shares then held by the Investors (subject to applicable provisions of the Act and subject to the consent of the concerned Investors), on a pro-rata basis (based on the Subscription Shares held by each participating Investor) at a price determined pursuant to the valuation of the Subscription Shares by an independent firm of repute, jointly appointed by the Investors and the Company ("**Determined Price for Subscription Shares**"). "**Subscription Shares**" shall mean the Equity Shares subscribed to by VSIPL, MPEF, MAT and PIOF-I pursuant to the VSIPL Share Subscription Agreement

- 11.2. The Company and the Promoter shall, without any recourse to the Investors whatsoever, at their cost (i) obtain all the relevant approvals, statutory or otherwise that are necessary required to be obtained by the Company and the Promoter (if any) to provide a share buy back to the Investors; and (ii) complete the share buy back process.
- 11.3 In the event of a buyback of Shares held by the Investors pursuant to Article 11.1, the Promoter shall facilitate a pro rata (based on the Shares held by each participating Investor) buy back of Shares held by the Investors by the Company and undertake not to require the Company to buy back the Shares held by the Promoter on a proportionate basis, so as to enable the Company to purchase all the Shares held by the Investors, to the extent permitted under the Act.

12. ISSUE OF SWEAT EQUITY SHARES

Subject to the provisions of the Act, these Articles and the Agreement, the Company may authorise the Board of Directors by a special Resolution to issue Sweat equity shares in accordance with the provisions contained in the sections 2(88), 54 and 62 of the Act and Rules made thereunder.

13. INITIAL PUBLIC OFFERING/OFFER FOR SALE

13.1 IPO/Offer for Sale prior to March 31, 2015

The Company will provide an exit option to the Investors by way of an IPO/Offer for Sale on or prior to March 31, 2015 on such terms including the valuation, timing, mode and exchange as may be decided by the Board of Directors and the Shareholders.

13.2 Terms of IPO/Offer for Sale

- (a) The determination of the valuation, timing, mode and exchange for the IPO/Offer for Sale, stock exchange for the listing will be decided by the Investors in consultation with the Company and/or the Promoter.
- (b) None of the Investors shall be deemed to be sponsors/promoters for the purposes of an IPO/Offer for Sale or under the rules and regulations of SEBI/the Stock Exchange and/or for any other purpose.
- (c) In the case of an Offer for Sale, the Investors shall be entitled to participate in the offer by offering the Shares held by the Investors on a pro rata basis (based on the Shares held by each participating Shareholder).

13.3 Approvals & costs of IPO/Offer for Sale

The Company and the Promoter shall without any recourse to the Investors whatsoever, at their own cost (a) obtain all the relevant approvals, statutory or otherwise that are necessary to provide for an IPO/Offer for Sale, and (b) complete the process of the IPO/Offer for Sale, as the case may be, in accordance with the terms of these Articles and the Agreement. All costs related to such listing shall be borne by the Company/Promoter in accordance with applicable Law. Upon the Investor offering their respective Shares for sale at the time of IPO/Offer for Sale, the Company/Promoter hereby undertake that they shall comply with and complete all necessary formalities to ensure such listing.

13.4 Consequences of failure to List

- (i) In the event that the Company fails to achieve a listing on a Stock Exchange on or before March 31, 2015 as contemplated under these Articles and the Agreement, the Company and the Promoter shall facilitate an Offer for Sale/IPO in India and/or abroad on or before September 30, 2015, pursuant to which the Company shall issue new Shares and/or the Promoter and other investors shall offer Shares, if any, required to ensure compliance with the applicable regulations (“**Agreed Exit Options**”).

- (ii) All costs related to implementation of the Agreed Exit Options shall be borne by the Company and/or the Promoter. Upon the Investors offering the Shares for sale at the time of such Agreed Exit Options the Company and/or Promoter shall complete all compliances and necessary formalities to ensure the above.
- (iii) In the event that the Company fails to complete an IPO/Offer for Sale as contemplated under the Agreement on or before September 30, 2015 the Company shall subject to applicable Law, including availability of profit and sufficiency of distributable profits, declare dividends for each subsequent Financial Year thereafter, which dividend shall cumulatively be not less than 50% (fifty percent) of the Company's profit after tax for the relevant Financial Year ("**Minimum Dividend**").

13.5 **Transfer of Shares by Investors with Special Rights**

- (a) The provisions of this Article 13.5 shall apply only if the following conditions are cumulatively satisfied:
 - (i) The Company has not provided the Investors the Agreed Exit Options as envisaged in Article 13 and share buy back has not been completed in accordance with Article 11 above on or before March 31, 2016;
 - (ii) Any of the Investors either by itself or together with any one or more of the other Investors holding in the aggregate a minimum block of 25% (Twenty Five percent) of the Total Issued Shares ("**Aggrieved Investors**") desires to Transfer all the Shares they hold in the Company ("**Transfer Shares**"); and
 - (iii) The Aggrieved Investors would like to opt (but does not have an obligation to) to exercise a Drag Along Right on the Promoter (as defined in Article 13.6 below).
- (b) In the event each one of the conditions stipulated in Article 13.5 (a) above are satisfied then the Aggrieved Investors shall be entitled to:
 - (i) exercise an option to Transfer to a third party purchaser; or
 - (ii) contract for the Transfer with a third party purchaser;

such number of Shares the Promoter would be expected to sell pursuant to the implementation of the Drag Along Right on the Promoter as defined in Article 13.6 below ("**Additional Transfer Shares**") in addition to the Transfer Shares which the third party purchaser would be willing to purchase ("**Sale Shares**") ("**Investor Share Sale with Special Rights**") provided that such a Transfer is pursued or Contract for the Transfer is entered into only after the Trigger Date (hereinafter referred to as the "**Third Party Sale Option**"). It is clarified that the Aggrieved Investors may, at any time during the process of the Investor Share Sale with Special Rights, decide to withdraw the process and such a withdrawal will not adversely affect any of their rights.
- (c) For the purpose of Article 13.5 (b) the term "**Trigger Date**", shall be March 31, 2016.
- (d) *[Not used]*
- (e) The Aggrieved Investors exercising the Third Party Sale Option shall first give a written notice ("**Sale Intention Notice**") to each of the other Investors ("**Other Investors**") and the Promoter.
- (f) The Sale Intention Notice shall state the details of the Transfer Shares.
- (g) The Promoter shall within 30 (Thirty) calendar days of the receipt of the Sale Intention Notice, or such other extended time as may be mutually agreed by the Aggrieved Investors be entitled to notify the Aggrieved Investors in writing that it wishes to purchase all (and not less than all) of the Transfer Shares ("**Promoter Purchase Notification**"). The Promoter

Purchase Notification will contain the price at which the Promoter offers to purchase the Transfer Shares ("**Promoter Purchase Price**") and the terms on which the Promoter offers to purchase the Transfer Shares ("**Promoter Sale Purchase Terms**").

- (h) The Other Investors shall also simultaneously within 30 (Thirty) calendar days of the receipt of the Sale Intention Notice, or such other extended time as may be mutually agreed by the Aggrieved Investors be entitled to notify the Aggrieved Investors in writing that it wishes to purchase on its own and/or arrange for the purchase by a third party of all (and not less than all) of the Transfer Shares ("**Other Investors Purchase Notification**"). The Other Investors Purchase Notification will contain the price at which the Other Investors offer to purchase the Transfer Shares ("**Other Investors Purchase Price**") and the terms on which the Other Investors/third party arranged by the Other Investors, if any, offers to purchase the Transfer Shares ("**Other Investors Sale Purchase Terms**").
- (i) In the event of acceptance of the Promoter Purchase Notification by the Aggrieved Investors the Promoter shall be under an obligation to complete the purchase of all the Transfer Shares as per the terms mentioned in the Promoter Purchase Notification not later than 45 (Forty Five) calendar days from the date of issue of the Sale Intention Notice ("**Promoter Purchase**").
- (j) In the event of acceptance of the Other Investors Purchase Notification by the Aggrieved Investors, the Other Investors/third party arranged by the Other Investors shall be under an obligation to complete the purchase of all the Transfer Shares as per the terms mentioned in the Other Investors Purchase Notification not later than 45 (Forty Five) calendar days from the date of issue of the Sale Intention Notice ("**Other Investors Purchase**"). To clarify, the Aggrieved Investors shall communicate their acceptance to the Promoter Purchase Notification or to the Other Investors Purchase Notification, as the case may be, only after the expiry of 30 (Thirty) calendar days notice period envisaged under Article 13.5 (g) and 13.5 (h).
- (k) In the event the Aggrieved Investors have decided to conclude the Transfer of all the Transfer Shares pursuant to their acceptance of the Promoter Purchase Notification or the Other Investors Purchase Notification, the Aggrieved Investors shall be under an obligation to conclude the Transfer with the Promoter in accordance with Article 13.5 (f) read with Article 13.5 (h) or with the Other Investors in accordance with Article 13.5 (g) read with Article 13.5 (i) depending upon which of the Parties has given a better offer. Further, the Aggrieved Investors shall be under an obligation to provide only the customary representations, warranties and indemnities with reference to the title to the Transfer Shares and the Promoter along with the Company shall be under an obligation to provide all other detailed representations, warranties and indemnities including in respect of the Company and its operations.
- (l) In the event the Aggrieved Investors have decided to conclude the Transfer of all the Transfer Shares pursuant to their acceptance of the Promoter Purchase Notification, the Other Investors shall not be entitled to exercise a Tag Along Right on Investors in the manner set forth in Article 13.9 below.
- (m) In the event the Aggrieved Investors have decided to conclude the Transfer of the Transfer Shares to a third party arranged by the Other Investors pursuant to their acceptance of the Other Investors Purchase Notification, the Other Investors shall also not be entitled to exercise a Tag Along Right on Investors in the manner set forth in Article 13.9 below.
- (n) It is however clarified that the Other Investors may opt for Transferring some or all the Shares to the third party arranged by the Other Investors provided that such an option shall be exercised by the Other Investors only if all (and not part) of the Transfer Shares owned by the Aggrieved Investors have already been purchased by the third party arranged by the Other Investors.
- (o) The Aggrieved Investors shall be entitled (but not obligated) to Transfer the Sale Shares to a third party purchaser of its choice ("**Third Party Purchaser**") in the event:

- (i) the Promoter does not issue the Promoter Purchase Notification within the time specified in Article 13.5 (f) above or fails to consummate the Promoter Purchase within the time specified in Article 13.5 (h) above or the Aggrieved Investors do not accept the Promoter Purchase Notification; and
- (ii) the Other Investors do not issue the Other Investors Purchase Notification within the time specified in Article 13.5 (g) or fails to consummate the Other Investors Purchase within the time specified in Article 13.5 (i) above or the Aggrieved Investors do not accept the Other Investors Purchase Notification.

Provided that such a Transfer to the Third Party Purchaser is at a price which is higher than the higher of (i) the Promoter Purchase Price and (ii) the Other Investors Purchase Price.

However, in case the Promoter or the Other Investors do not complete the purchase of Transfer Shares pursuant to the acceptance of the Promoter Purchase Notification or the Other Investors Purchase Notification (as the case may be), then, the Aggrieved Investors shall be free to Transfer the Transfer Shares to a Third Party Purchaser at a price which is higher than the price offered either by the Promoter or the Other Investors (as the case may be) whose offer was not accepted earlier.

- (p) In the event of Transfer of the Sale Shares by the Aggrieved Investors to the Third Party Purchaser pursuant to an Investor Share Sale with Special Rights, then, the Aggrieved Investors shall be entitled to (but does not have an obligation to) exercise a Drag Along Right in the manner set forth in Article 13.6 below.
- (q) In the event of the Aggrieved Investors deciding to Transfer only the Transfer Shares by not exercising the Drag Along Right, then, the Transfer of the Transfer Shares by the Aggrieved Investors to the Third Party Purchaser shall be deemed to be an “**Unrestricted Investor Right to Transfer Shares**” as envisaged in Article 7.1 above and consequently the Other Investors shall not be entitled to exercise a Tag Along Right on Investors in the manner set forth in Article 13.9 below.
- (r) In the event of the Aggrieved Investors deciding to Transfer the Sale Shares by exercising the Drag Along Right the Other Investors shall be entitled to exercise a Tag Along Right on Investors in the manner set forth in Article 13.9 below.

13.6 Drag Along Rights of Aggrieved Investors

- (a) In the event of Transfer of the Transfer Shares by the Aggrieved Investors to the Third Party Purchaser pursuant to an Investor Share Sale with Special Rights at any time after the Trigger Date pursuant to an exercise of a Third Party Sale Option and after following the procedure stipulated in Article 13.5 above and subject to the Tag Along Right on Investors as described in Article 13.9 below, the Aggrieved Investors shall have the right, but not an obligation, to require the Promoter to sell either all or a portion of their Shares together with the sale of all the Transfer Shares held by the Aggrieved Investors (hereinafter referred to as the “**Drag Along Right**”) so as to make up the total number of Shares of the Company which the Third Party Purchaser contracts to with the Aggrieved Investors for being sold and purchased (being the “**Sale Shares**”) to the extent the Sale Shares exceeds in the aggregate the total number of Shares agreed to be sold by the Aggrieved Investors pursuant to Article 13.5 above as well as the Other Investors pursuant to exercise of the Tag Along Rights in terms of Article 13.9 below.
- (b) The Shares of the Promoter will be transferred on the same terms and conditions as are applicable to the Aggrieved Investors.

13.7 Purchase of Shares from Other Minority Shareholders

- (a) Any of the Majority Shareholders intending to purchase the Shares held by any of the Other Minority Shareholders (“**Minority Shares**”) either Directly or Indirectly (“**Share**

Purchaser”) hereby agree and undertake to provide each of the Investors and the Promoter (**“Other Investors”**) a right of first refusal to purchase the Minority Shares on a pro-rata basis (based on the Shares held by each participating Investor and Promoter) before the Share Purchaser agreeing to purchase the Minority Shares.

- (b) The Share Purchaser to provide each of the Investors the right of first refusal referred to in Article 13.7(a) above, by making an offer to the Other Investors to purchase the Minority Shares on a pro-rata basis amongst the Majority Shareholders in the manner prescribed below:
- (i) The Share Purchaser shall first give a written notice (**“Offer Notice”**) to each of the Other Investors. The Offer Notice shall state:
- the number of Minority Shares proposed to be purchased;
 - the proposed price of each Minority Shares;
 - the total sale price of the Minority Shares (the **“Total Sale Price”**); and
 - the date of consummation of the proposed purchase.
- (ii) Each Other Investor shall, within 10 (Ten) Business Days of the receipt of the Offer Notice, be entitled to notify the Share Purchaser that it wishes to purchase up to a maximum of their pro-rata entitlement of the Minority Shares (**“Pro-Rata Minority Shares”**).
- (iii) If any or all of the Other Investors issue a notice as contemplated hereinabove, then the Other Investors shall pay their proportion of the Total Sale Price for, and accept a Transfer of, such Pro-Rata Minority Shares and the Share Purchaser shall be bound, on payment of their proportion of the Total Sale Price, to Transfer such Pro-Rata Minority Shares to the relevant Other Investor(s).
- (iv) If any of the Other Investors (**“Declining Investor”**) exercise their right not to purchase their respective pro- rata (based on the Shares held by each participating Investor) Minority Shares (**“Declined Pro Rata Minority Shares”**) then any of the Other Investors shall be entitled to purchase the Declined Pro-Rata Minority Shares on payment of the proportion of the Total Sale Price in respect of the Declined Pro-Rata Minority Shares.;
- (v) The payment and Transfer of the Pro-Rata Minority Shares and/or the Declined Pro Rata Minority Shares shall be completed within a period 5 (Five) Business Days from the date of expiry of the aforesaid 10 (Ten) Business Day period;
- (vi) Where any of the Investors requires prior legal, Governmental, regulatory or shareholder consent for an acquisition or disposal of Shares pursuant to these Articles and the Agreement, then notwithstanding any other provision of these Articles and the Agreement, the Relevant Investor shall only be obliged to acquire or dispose of Shares once such consent or approval is obtained, and the Parties shall use their best endeavours to obtain any such required approvals. Any period within which a Transfer of such Shares by or to the Investor has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals; and
- (vii) In the event of none of the Other Investors opting to buy their respective Pro Rata Minority Shares or the Declined Pro-Rata Minority Shares, as the case may be, then, the Other Minority Shareholder shall be entitled to sell the Minority Shares to the Share Purchaser.
- (c) Notwithstanding Article 13.7(a) above, the total number of Shares that the Share Purchaser who is an Investor or the Other Investor (the **“Relevant Share Purchaser”**) purchases from the Other Minority Shareholder in any such purchase transaction or a series of such purchase

transactions envisaged under this Article 13.7 including pursuant to Article 13.7(b) shall not at any time result in the Relevant Share Purchaser holding in the Company 25% (Twenty Five percent) or more of the Total Issued Shares in the aggregate together with any Shares already held by the Relevant Share Purchaser.

- (d) It is clarified that notwithstanding anything contained herein, there shall be no restriction on the Other Minority Shareholders to transfer their Shares to any third party (i.e. a transferee who is not a Majority Shareholder).

13.8 **Right of First Refusal and Tag Along Rights of The Investors**

- (a) In case of a proposed Transfer by the Promoter, the Promoter shall first give a written notice (“**Offer Notice**”) to each of the Investors. The Offer Notice shall state:
 - (i) The number of Equity Shares proposed to be Transferred (“**Offered Shares**”);
 - (ii) The proposed price, including the proposed amount and form of consideration (including consideration other than cash) and terms and conditions offered by the Third Party Buyer;
 - (iii) The date of consummation of the proposed Transfer;
 - (iv) A representation that the Third Party Buyer has been informed of the “**Right of First Refusal**” and the “**Tag Along Rights – On Promoter**” provided for in these Articles and the Agreement and that the Third Party Buyer has agreed to purchase the Equity Shares held by each of the Investors in accordance with the terms of this Clause up to a maximum of the pro-rata entitlement of each of the Investors (based on the Shares held by each participating Investor and on the number of Shares sought to be sold by the Transferring Promoter (“**Pro-Rata Offered Shares**”); and
 - (v) The total value of the consideration for the proposed Transfer is referred to herein as the “**Offer Price**” to be calculated on a price per Equity Share basis.
- (b) Each Investor shall, within 30 (Thirty) Business Days of the receipt of the Offer Notice, be entitled to notify the Promoter that it wishes to purchase up to a maximum of their Pro-Rata Offered Shares. If any or all of the Investors issue a notice as contemplated hereinabove, then the Investors shall pay the Offer Price for, and accept a Transfer of, such Pro-Rata Offered Shares and the Promoter shall be bound, on payment of the Offer Price, to Transfer such Pro-Rata Offered Shares to the Relevant Investor(s). Such payment and Transfer shall be completed within a period of 30 (Thirty) Business Days from the date of expiry of the aforesaid 30 (Thirty) Business Day period;
- (c) If any of the Investors elect not to purchase their respective Pro- Rata Offered Shares (“**Declined Pro Rata Offered Shares**”) then anyone or more of the other Investors shall be entitled to pro rata purchase (based on the Shares held by each participating Investor) the Declined pro-rata Offered Shares on payment of the proportion of the Total Sale Price in respect of the Pro Rata Declined Pro-Rata Offered Shares.
- (d) In the event of none of the Investors exercise the right to buy their respective pro rata Offered Shares or the Declined Pro-Rata Offered Shares, as the case may be, then the Promoter shall be entitled to sell the Offered Shares to a Third Party subject however to Article 13.8(e) below.
- (e) Notwithstanding the right of first refusal of the Investors as contemplated in Article 13.8 (a) to (d) above, each Investor shall be entitled to respond to the Offer Notice by serving a written notice (the “**Response Notice**”) on the Promoter prior to the expiry of 30 (Thirty) Business Days from the date of receipt of the Offer Notice (the “**Offer Period**”) requiring the Promoter to ensure that the Third Party Buyer (other than any of the other Investors in the event that such Investors have exercised their Right of First Refusal) also purchases the Relevant Investor’s Equity Shares as mentioned in the Response Notice, subject to a maximum of the

pro-rata entitlement of such Investor, at the same price and on the same terms as are mentioned in the Offer Notice (“**Tag Along Right – On Promoter**”).

- (f) If the Third Party Buyer is/are unwilling or unable to acquire the Investor’s Shares mentioned in the Response Notice, subject to a maximum of the pro-rata entitlement of such Investor, together with the total number of Offered Shares (or the balance of the Offered Shares in the event of any of the Investors having exercised their Right of First Refusal), then the Promoter may elect either to (i) cancel such proposed Transfer or (ii) in the event that the Third Party Buyer is willing to purchase only the number of Offered Shares (or the balance of the Offered Shares in the event any of the Investors having exercised their Rights of First Refusal), then the Promoter shall facilitate a Transfer of the Investor Shares mentioned in the Response Notice subject to a maximum of the pro-rata entitlement of such Investor, together with a reduced number of Shares held by the Promoter in order to transfer the maximum number of Shares which the proposed transferee is willing to purchase.
- (g) It shall be the responsibility and liability of the Promoter to ensure that, along with the Offered Shares (or the balance of the Offered Shares in the event any of the Investors having exercised their Rights of First Refusal), the Third Party Buyer also acquires the Investor’s Shares specified in each Response Notice, subject to a maximum of the pro rata entitlement of such Investor, for the same consideration and upon the same terms and conditions as applicable to the Offered Shares (or the balance of the Offered Shares in the event any of the Investors having exercised their rights of first refusal). Where the Investor(s) have properly elected to exercise their respective Tag-Along Rights – On Promoter and the Third Party Buyer fails to purchase from the Relevant Investor(s) their respective Shares which the Investors are entitled to sell pursuant to the Tag Along Right – On Promoter, the Promoter shall not make the proposed transfer, and if purported to be made, such Transfer shall be null and void

13.9 Tag Along Rights of Investors Upon Transfer by Investors

- (a) In the event of the Aggrieved Investors Transferring or contracting for Transferring the Sale Shares to the Third Party Purchaser pursuant to an Investor Share Sale with Special Rights and in accordance with the provisions of Article 13.5 (n) above and the Aggrieved Investors wanting to exercise the Drag Along Rights on the Promoter in accordance with the provisions of Article 13.6 above, then the Other Investors shall be entitled to Tag Along Right – On Investors as detailed in Article 13.9 (b) to 13.9 (h) below pursuant to which the Other Investors may, but do not have an obligation to Transfer either a part or the whole of the Shares held by the Other Investors (“**Other Investor Offered Shares**”).
- (b) In case of a proposed Transfer by the Aggrieved Investors along with Drag Along Rights, the Aggrieved Investors shall first give a written notice to each of the Other Investors (“**Investor Offer Notice**”). The Investor Offer Notice shall state:
 - (i) The total number of the Sale Shares proposed to be purchased by Third Party Purchaser;
 - (ii) The proposed price, including the proposed amount and form of consideration (including consideration other than cash) and terms and conditions offered by the Third Party Purchaser;
 - (iii) The date of consummation of the proposed Transfer of the Sale Shares;
 - (iv) A representation that the Third Party Purchaser has been informed of the “**Tag Along Rights on Investors**” provided for in these Articles and the Agreement; and
 - (v) The total value of the consideration for the proposed Transfer is referred to herein as the “**Offer Price**” to be calculated on a price per Share basis.
- (c) Each of the other Investors shall be entitled to respond to the Investor Offer Notice by serving a written notice (the “**Investor Response Notice**”) on the Aggrieved Investor/s prior to the expiry of 15 (Fifteen) Business Days from the date of receipt of the Investor Offer Notice (the

“**Investor Offer Period**”) requiring the Aggrieved Investors to ensure that the Third Party Purchaser purchases in addition to the Transfer Shares, the Other Investor’s Offered Shares as mentioned in the Investor Response Notice, subject to a maximum of the pro-rata entitlement of such Other Investor(based on the Shares of the Company being sold by each participating Other Investor), at the same price and on the same terms as are mentioned in the Investor Offer Notice.

- (d) If the Third Party Purchaser is willing to purchase the Sale Shares (where such Sale Shares are more than the Transfer Shares and the Other Investors Offered Shares put together), then, such purchase shall be in the following manner:
 - (i) All the Transfer Shares from the Aggrieved Investors;
 - (ii) All the Other Investor Offered Shares from the Other Investors; and
 - (iii) All the Additional Transfer Shares from the Promoter.
- (e) In the event that none of the Other Investors deliver a Response Notice to the Aggrieved Investor prior to the expiry of the Investor Offer Period, then, upon the expiry of the Investor Offer Period, or in the event the Other Investors specifically decline to exercise the Tag Along Right, the Aggrieved Investors shall be entitled to Transfer the Sale Shares to the Third Party Purchaser mentioned in the Investor Offer Notice on the same terms and conditions and for the same consideration as is specified in the Investor Offer Notice and in such an eventuality the purchase by the Third Party Purchaser shall be in the following manner:
 - (i) All the Transfer Shares from the Aggrieved Investors; and
 - (ii) All the Additional Transfer Shares from the Promoter.
- (f) If the Transfer of the sale Shares to the Third Party Purchaser does not take place within a period of 45 (Forty Five) Business Days following the expiry of the Investor Offer Period, the Aggrieved Investor’s right to transfer the Sale Shares, Investor Offered Shares and the Additional Transfer Shares to such Third Party Purchaser pursuant to the process already initiated shall lapse and the provisions of the Articles 13.5 and 13.6 is Article shall once again apply to the Sale Shares.
- (g) Where any of the Investors requires prior legal, Governmental, regulatory or shareholder consent for an acquisition or disposal of Equity Shares pursuant to these Articles and the Agreement then notwithstanding any other provision of these Articles and the Agreement the Relevant Investor shall only be obliged to acquire or dispose of the Shares once such consent or approval is obtained, and the Promoter, the Company and the Relevant Investor shall use their best endeavours to obtain any such required approvals. Any period within which a Transfer of such Shares by or to the Investor has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.
- (h) Notwithstanding anything to the contrary contained in these Articles and the Agreement or any other document, any Transfer under this Article 13.9 shall be permitted only if the following terms and conditions are satisfied:
 - (i) Such a Transfer is not made to a Third Party who is a Competitor; or
 - (ii) the Third Party Purchaser executes a Deed of Adherence in the format prescribed under the Agreement pursuant to which the Third Party binds itself to the terms and conditions of these Articles and the Agreement.
- (i) Subsequent to the IPO, all special rights of the Investors and the Promoters under the Agreement and Articles, as applicable to the Investors and the Promoter as the case may be will fall away.

13A. BORROWING POWERS

- (a) Subject to the provisions of sections 73, 179 and 180, and other applicable provisions of the Act, these Articles and the Agreement, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (iii) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles and the Agreement, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued 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, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act, these Articles and the Agreement, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

13.B. SHARE WARRANTS

- (i) The Company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115 of the Companies Act, 1956 and the Agreement; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (ii) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
- (iii) Not more than one person shall be recognised as depositor of the share warrant.
- (iv) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (v) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.
- (vi) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (vii) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (viii) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

14. SHARES IN ELECTRONIC FORM

14.1 Dematerialisation of securities

Subject to the provisions of the Act, these Articles, and the Agreement, the Company shall be entitled to dematerialize/rematerialize its securities in accordance with the Depositories Act and the rules framed thereunder.

14.2 Option to receive security certificates or hold Securities with Depository

Subject to the provisions of the Act, these Articles and the Agreement:

- a) Every Person subscribing to the securities offered by the Company shall have the option to

receive the security certificates or hold securities with a Depository

- b) Where a Person opts to hold a Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of such information the Depository shall enter in its Record the name of the allottee as the Beneficial Owner of the Security.

14.3 Securities in depositories to be in fungible form

Subject to the provisions of the Act, these Articles and the Agreement:

- a) All securities held by a Depository shall be dematerialised and shall be in fungible form.
- b) Nothing contained in section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
- c) In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

14.4 Rights of Depositors and Beneficial Owners

Subject to the provisions of the Act, these Articles and the Agreement, and notwithstanding anything to the contrary in any other Law for the time being in force:

- (a) A Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of Security on behalf of a Beneficial Owner.
- (b) Save as otherwise provided in sub-Article (a) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every Person holding Shares of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be the Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his Securities held by a Depository.
- (d) Nothing contained in the foregoing Article shall apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of Depository.

14.5 Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owners at such intervals and in such manner as may be specified by the Bye-laws and the Company in this behalf.

14.6 Option to opt out in respect of any such Security

Subject to the provisions of the Act, these Articles and the Agreement:

- (a) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly.
- (b) The Depository shall on receipt of such information make appropriate entries in its Records and shall inform the Company.
- (c) The Company shall, within 30 days of the receipt of intimation from a Depository and fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the Beneficial Owner or the transferee, as the

case may be.

14.7 sections 45 and 56 of the Act not to apply

Subject to the provisions of the Act, these Articles and the Agreement:

- (a) section 45 of the Act shall not apply to securities held with a Depository.
- (b) Nothing contained in section 56 of the Act shall apply to a transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

14.8 Nomination by securities holders

- (a) Subject to these Articles and the Agreement, every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

14.9 Nomination in certain other cases

Subject to the applicable provisions of the Act, these Articles and the Agreement, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

14.10 Power to modify rights

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of section 48 of the Companies Act, 2013, Law and the Agreement, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to section 107(2) of the Companies Act, 1956, Law and the Agreement, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14.11 Registers and Index of Beneficial Owners

Subject to the provisions of the Act, these Articles and the Agreement:

- (a) The Register and index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act shall be deemed to be the Register and index of Members for the purposes of the Act and these Articles.
- (b) Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any share or whose name appears as the Beneficial Owner of shares in the Records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other Person, whether or not it shall have express or implied notice thereof.
- (c) The Company shall keep a Register and index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a branch Register of Members resident in that State or Country.
- (d) In accordance with section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, the Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.

15. REGISTERS, BOOKS AND DOCUMENTS

- 15.1 The Company shall maintain all registers, books and other documents as required by the Act or these Articles.
- 15.2 The said registers, books and other documents shall be maintained in conformity with the applicable provisions of the Act and these Articles and shall be kept open for inspection for such Persons as may be entitled thereto respectively, under the Act and these Articles on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act and these Articles and extracts therefrom shall be supplied to those Persons entitled thereto in accordance with the provisions of the Act and these Articles.

16. DIVIDEND

Subject to the provisions of these Articles, the Agreement and the Act:

- 16.1 The Board may recommend payment of dividend pursuant to the provisions of section 51 of the Act on pro-rata basis in respect of:
 - (a) The amount paid or credited on the Shares, and
 - (b) The time of allotment, unless the terms of issue of such shares on which the dividends is paid

provides otherwise.

- 16.2 Subject to the Act, the Board shall set off payment of any dividend payable to any Member against all sums of money, if any, receivable by the Company from him on account of calls, or otherwise in relation to the Shares of the Company.
- 16.3 If the Board finds that the dividend already declared and paid in relation to any previous years was not adequate, the Company may declare an additional dividend in the Extra-Ordinary General Meeting.
- 16.4 The Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.
- 16.5 The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by the Member to the Company on account of calls or otherwise in relation to the Shares of the Company.

17. GENERAL MEETINGS

Subject to the provisions of the Act, these Articles and the Agreement:

17.1 General Meetings

Subject to the provisions of the Act, these Articles and the Agreement, General Meetings of the Company shall be held at such times and at such places as the Directors may from time to time determine, subject to the provisions of section 96 of the Act. The Procedures relating to meetings of the Shareholders shall be regulated by these Articles, the Agreement and by the provisions of the Act.

17.2 Annual General Meetings

Subject to the provisions of section 96 and section 129 of the Act, these Articles and the Agreement, the Company shall in each year hold in addition to any other General Meeting, a General Meeting as its Annual General Meeting and shall specify the General Meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next provided however that if the Registrar of Companies shall have for any special reason extend the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within such additional time fixed by the Registrar.

17.3 Extraordinary General Meetings

Subject to the provisions of the Act, these Articles and the Agreement, the Board may, whenever they think fit, convene an Extraordinary General Meeting of the Company. If at any time there are not within India, Directors capable of acting who are sufficient in number to form a quorum for convening an Extraordinary General Meeting, any single Director or any two Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

17.4 Requisitioned Meetings

Subject to the provisions of the Act, these Articles and the Agreement, The Board shall on the requisition of the Members in accordance with section 100 of the Act, proceed to call an Extraordinary General Meeting of the Company. In default of the Board calling the same, the requisitionists may call the Extraordinary General Meeting as provided by section 100 of the Act provided that at any Extraordinary General Meeting called by requisitionists, no business other than stated in the requisition as the matters for the consideration of which the Meeting is to be called shall be transacted.

17.5 Notice

- (a) Unless a shorter period of notice in respect of any particular Shareholders Meeting is obtained as required pursuant to section 101 of the Act not less than 21 (twenty-one) days'

notice specifying the date, place and time, and business to be transacted thereat, shall be given to all Shareholders (“**Shareholders Meeting Notice**”). No business shall be transacted at any Shareholders Meeting of the Company unless the requisite quorum of Shareholders as specified in Article 17.7 is present throughout the meeting. Such notice shall be in writing or through electronic mode. The period of notice, provided in the Article, shall not include the day of posting/delivery of a notice and the day of holding the meeting. However such notice shall be deemed to have been duly served, if it is within the meaning of section 20 of the Act.

- (b) Notice of every Shareholders Meeting shall be served on the Members of the Company, who are entitled to vote thereat, Auditors of the Company, in case of the Annual General Meeting, and every other person entitled to receive notice as required by section 101 of the Act. In the case of Members residing outside India, notice shall be sent to such Member by cable telex or fax at the numbers outside India provided by such Member to the Company and shall also be sent at his address (if any) in India as provided by such Member to the Company.
- (d) Subject to the provisions of these Articles, the Act and the Agreement, every notice of a General Meeting shall specify the place, the day and the hour of the General Meeting and shall contain a statement of the business to be transacted thereat. No General Meeting shall be competent to enter upon, discuss or transact any business which has not been specified in the notice upon which it was convened, except with the consent in writing of all of the Members of the Company.
- (e) The notice/Agenda of such General Meeting shall be in English. The Agenda for a Board Meeting shall be sent to all Directors (and their alternates) at least 7 (seven) days before the date of the Board Meeting. In general, the items not specified in the Agenda may not be discussed at any Board Meeting, except with consent of each of the Investor Director.
- (f) Where the business to be transacted at any General Meeting consists of any special business as described in section 102, there shall be annexed to the notice calling the General Meeting, a statement complying with the provisions of section 102(2) and section 102(3) of the Act provided that the accidental omission to annex such a notice shall not invalidate the notice or the proceedings of the General Meeting concerned if such omission is accepted in writing by all of the Members of the Company.

17.6 **Exclusion of Certain Provisions of the Act**

Except to the extent specifically set out herein, the provisions of section 96 to 101 (both inclusive) of the Act, shall apply to General Meetings of the Company.

17.7 **Quorum**

- (a) Subject to Article 17.7 (b) below the quorum for any Shareholders Meeting shall be such minimum number of Shareholders as is required to form a quorum under the Act.
- (b) The quorum for any Shareholders Meeting which would consider an Affirmative Vote Matter shall always require the presence of at least 1 (one) Representative each of VSIPL, PIOF I and IBOF. In the event that a Shareholders Meeting is to be adjourned for lack of quorum, the meeting shall be adjourned in accordance with the terms of Article 17.7 (c) below.
- (c) If at the relevant time at the Shareholders’ Meeting or if within half an hour from the time appointed for the Shareholders Meeting the requisite quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine by giving at least 3 (three) days’ written notice to each of the Shareholders either individually or by publishing an advertisement in the newspapers (one in English and one in Kannada) which is in circulation at the place where the registered office of the company is situated. In the event that within half an hour from the time appointed for such adjourned Shareholders Meeting the requisite quorum is not present, the Shareholders present shall, subject to the Act, constitute adequate quorum for such adjourned general meeting provided that:

- (i) written notice of the adjournment was given to each the Investors at the address provided in the Agreement not less than 3 (three) days prior to the date of the adjourned meeting;
- (ii) no items are considered at the adjourned meeting which were not on the Shareholders Meeting Notice for the Shareholders Meeting which was adjourned;
- (iii) Except as otherwise specifically provided in these Articles and the Agreement in respect of Affirmative Vote Matters and the relevant applicable Laws, all questions arising at Shareholders Meeting or the adjourned Shareholders Meeting shall be decided by a simple majority of votes of the votes present and entitled to vote.

17.8 Proxies

Any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint one or more Persons as his proxy(ies) to attend and vote instead of himself. Proxies need not be Members of the Company. The instrument of proxy shall be in such form as may be prescribed from time to time by the Act, and shall be deposited at the office of the Company not less than forty-eight hours before the time for holding the General Meeting at which the Person named in the instrument purposes to vote and in default, the instrument of proxy shall not be treated as valid. Proxies shall be entitled to vote only on poll.

17.9 Adjournments

Subject to the provisions of these Articles and the Agreement:

- (a) the Chairman may, with the consent of 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.
- (b) no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- (c) 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.
- (d) save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17.10 Manner of Voting

- (a) Subject to any additional requirements imposed by applicable Law and the Affirmative Vote rights of the Parties under Article 29, each resolution of the Shareholders shall be adopted by a simple majority vote of the Shareholders personally present (or represented by proxy or representative appointed pursuant to applicable Law) and voting.
- (b) At every General Meeting and subject to Affirmative Vote rights of the Parties under Article 29, a resolution put to the vote at the Meeting shall unless a poll is demanded, be decided by show of hands.
- (c) The Company and the Promoter shall also cause their respective representatives, nominee Directors, and appointees (including on the Board and at any Meetings of the Shareholders and the Board committees) to exercise, or refrain from using or exercising their voting rights, and perform any action within their power and control so as to ensure full compliance with the terms of these Articles and the Agreement and to ensure that there is no violation of the terms and conditions set forth in these Articles and the Agreement.

- (d) The Company shall, and each of the Majority Shareholders shall exercise all rights and powers available to it to, procure that none of the Affirmative Vote Matters shall be put to vote or shall be voted upon at a General Meeting unless it has first been approved by a Super-Majority Resolution.
- (e) The Board of Directors of the Company shall also be entitled to pass Circular Resolutions in accordance with relevant provisions of the Act subject however to an Affirmative Voting or Affirmative Majority Voting, as the case may be.
- (f) Subject to Articles 17 and Article 29.2 below no resolution shall be validly passed or decision be taken by the Board Meeting or by circulation or decision by the management committee of the Company or by the management in any other manner whatsoever in respect of:
 - (i) An Affirmative Vote Critical Matter and Affirmative Vote Matter – Promoter without an Affirmative Voting;
 - (ii) An Affirmative Vote Operational Matter without an Affirmative Majority Voting.

17.10A Passing resolutions by postal ballot

- (a) Notwithstanding any of the provisions of these Articles, in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law is required to be passed by postal ballot, the Company shall get such resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. The Company 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 the same by way of postal ballot.
- (b) Where the Company is required to pass a resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

17.11 Voting and Other Rights

- (a) No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or with respect to which the Company has and has exercised any right of lien.
- (b) In addition to their obligations under these Articles and the Agreement, the Parties shall at all times be just and true to each other, act in good faith and use or exercise, or refrain from using or exercising, the votes attached to the Shares held by them to ensure and procure that the terms of these Articles and the Agreement are fully complied with and generally to do all things reasonably within their power which are necessary or desirable to give effect to the spirit and intent of these Articles and the Agreement.
- (c) The Parties shall also cause their respective Representatives, nominee Directors, and appointees (including on the Board, committees thereof and at any Shareholders Meetings) to exercise, or refrain from using or exercising their voting rights, and perform any action within their power and control so as to ensure full compliance with the terms of these Articles and the Agreement and to ensure that there is no violation of the terms and conditions set forth in these Articles and the Agreement including to fully and effectually implement the spirit, intent and specific provisions of these Articles and the Agreement.
- (d) If a resolution contrary to the terms of these Articles and the Agreement is proposed at any Shareholders Meeting or at any Board Meetings, the Majority Shareholders and their Representatives and their respective nominated Directors (or Alternate Directors), shall vote against the same.
- (e) If for any reason such a resolution is passed, the Majority Shareholders shall if necessary jointly convene or cause to be convened Board Meeting or a Shareholders Meeting for the

purpose of implementing the terms and conditions of these Articles, the Agreement and to give affect thereto, and to supersede such resolution.

17.12 Minutes

- (a) The minutes of Board Meetings shall be sent to the Directors and the Majority Shareholders within 14 (Fourteen) days after the holding of such meetings.
- (b) The Company shall cause minutes of all proceedings or every General Meeting to be made and maintained in books kept for that purpose, in accordance with the applicable provisions of the Act.

18. NUMBER OF DIRECTORS

Unless otherwise agreed to in writing by and amongst the Majority Shareholders the maximum number of Directors on the Board of the Company at any time shall be not more than 15 (Fifteen) and not less than 9 (Nine). The Company shall constitute the Board in compliance with Chapter XI of the Act.

19. APPOINTMENT AND TENURE OF DIRECTORS

19.1 The existing Directors of the Company are specified in the Registered of the Directors maintained by the Company.

19.2 Subject to the provision of Article 18, Articles 20.3 to 20.7 and the Agreement, the Promoter may in writing nominate Persons on the Board not exceeding one-third of the total number of Directors, in the manner provided hereunder:

- (a) Such nominated Directors shall be deemed to have been appointed from the date of nomination in pursuance of the foregoing Article 19.1 above.
- (b) The tenure of such nominated Directors shall be determined by the Promoter.
- (c) Notwithstanding anything contained herein, in the terms and conditions of appointment, the appointment of nominated Directors may be revoked at any time, by the Promoter.

19.4 Subject to the provisions of the Act, these Articles and the Agreement, the Board may appoint additional Directors in accordance with the provisions of section 161 of the Act, for the benefit of the Company in general, and in particular, when there is no quorum at the Board Meeting, and such Meeting has to be conducted without adjournment.

19.5 Subject to the provisions of these Articles and the Agreement, the Board may appoint alternate Directors as and when required subject to the provisions of section 161 of the Act, these Articles and the Agreement.

19.5 Subject to the provisions of the Act, these Articles and the Agreement, the Board shall, as and when required, appoint subsequent Directors for such a period and on such terms and conditions, as it may deem proper.

19.6 Nominee Director of Financial institutions

Subject to the provisions of the Act, these Articles and the Agreement:

- (a) financial institutions or banks who have granted long term loans to the Company may appoint Nominee Directors, during the period of their loans remaining unpaid, subject to the provisions of section 25 of the Industrial Finance Corporation Act, 1948 and section 27 of the Finance Corporation Act, 1951, as the case may be, or such agreement or arrangement, as has been mutually agreed upon.
- (b) the Nominee Directors so appointed shall not retire by rotation.

- (c) the Nominee Directors shall have the same rights and privileges in respect of voting rights at the Board Meetings, payment of sitting fee and reimbursement of travelling expenses in the same manner as admissible to other directors.
- 19.7 Subject to the provisions of the Act, these Articles and the Agreement, casual vacancies, as and when they occur, shall be filled in by the Board at its Meeting in accordance with the provisions of section 424(d) of the Act.
- 20. APPOINTMENT OF MANAGING DIRECTOR/WHOLE TIME DIRECTORS**
- 20.1 Subject to the provisions of the Act, these Articles and the Agreement, the Board may, in accordance with the provisions of the Act, appoint one or more of its body to the office of the Managing Director or Wholetime Director by whatsoever designation on such terms and conditions, including remuneration and privileges, as may be thought proper.
- 20.2 Subject to the provisions of the Act, these Articles and the Agreement the Board may vest in such appointee(s) such powers and discretion as may be deemed necessary and expedient. Notwithstanding anything contained herein, the Board shall have power to revoke such appointments before expiry of their tenure in the best interest of the Company and such revocation shall not be deemed to be removal within the meaning of section 169 of the Act.
- 20.3 **VSIPL Director**
 - (a) The Parties acknowledge the following rights and obligations in connection with the appointment of the VSIPL VSIPL Directors:
 - (i) VSIPL shall appoint 1 (One) non retiring VSIPL Director on the Board and on the board of directors of each of the Company's Subsidiaries and each of the joint ventures formed by the Company and/or the Company's Subsidiaries so long as VSIPL hold not less than 5% (Five percent) of the Total Issued Shares. The Parties mutually agree to cause their respective Representatives to vote in favour of the appointment of the VSIPL Director;
 - (ii) VSIPL shall recommend by written notice to the Company the removal of any of the VSIPL Director (or their alternates, as the case may be) and the appointment of other Person in his place and to fill any vacancy in the office of such VSIPL Director and the Board shall duly consider and give effect to such recommendation;
 - (iii) VSIPL shall not be entitled to nominate any VSIPL Directors on the Board of Directors of the Company or the Subsidiaries, its committees, and the subsidiaries and joint ventures of the Company when VSIPL's shareholding in the Company drops to below 5% (Five percent) of the Total Issued Shares;
 - (b) The Board shall also appoint 1 (one) VSIPL Director or his/her alternate or Representative on any committee constituted by the Board.
- 20.4 **PIOF Director**
 - (a) The Parties acknowledge the following rights and obligations in connection with the appointment of the PIOF Directors:
 - (i) PIOF shall be entitled to appoint 3 (Three) PIOF Directors on the Board of which at least 1 (One) shall be a non-retiring Director. The Parties mutually agree that the retiring PIOF Director shall at all times be eligible for re-appointment. The Parties shall cause their respective Representatives to vote in favour of the appointment of an PIOF Director or re-appointment of the retiring PIOF Director;
 - (ii) PIOF shall recommend by written notice to the Company the removal of any of the PIOF Directors (or their alternates, as the case may be) and the appointment of other

Persons in their place and to fill any vacancy in the office of such PIOF Directors and the Board shall duly consider and give effect to such recommendation;

- (iii) PIOF shall be entitled to nominate appoint 2 (Two) PIOF Directors on the Board of which at least 1 (One) shall be a non-retiring Director in the event PIOF's shareholding in the Company drops to below 20% (Twenty percent) of the Total Issued Shares;
- (iv) PIOF shall be entitled to nominate 1 (One) non-retiring PIOF Director on the Board of Directors of the Company, in the event PIOF's shareholding in the Company drops to below 10% (Ten percent) of the Total Issued Shares;
- (v) PIOF shall also appoint 1 (one) non-retiring PIOF Director on the board of directors of each of the Company's Subsidiaries and each of the joint ventures formed by the Company and/or the Company's Subsidiaries so long as PIOF hold not less than 5% (Five percent) of the Total Issued Shares;
- (vi) PIOF shall not be entitled to nominate any PIOF Directors on the Board of Directors of the Company, the board of directors of its Subsidiaries and joint ventures in the event PIOF's shareholding in the Company drops to below 5% (Five percent) of the Total Issued Shares;
- (vii) The Board shall also appoint 1 (one) PIOF Director or his/her alternate or Representative on any committee constituted by the Board.

20.5 **IBOF Director**

- (a) The Parties acknowledge the following rights and obligations in connection with the appointment of the IBOF Directors:
 - (i) IBOF shall be entitled to appoint 3 (Three) IBOF Directors on the Board of which at least 1 (One) shall be a non-retiring Director. The Parties mutually agree that the retiring IBOF Director shall at all times be eligible for re-appointment. The Parties shall cause their respective Representatives to vote in favour of the appointment of an IBOF Director or re-appointment of the retiring IBOF Director;
 - (ii) IBOF shall recommend by written notice to the Company the removal of any of the IBOF Directors (or their alternates, as the case may be) and the appointment of other Persons in their place and to fill any vacancy in the office of such IBOF Directors and the Board shall duly consider and give effect to such recommendation;
 - (iii) IBOF shall be entitled to nominate appoint 2 (Two) IBOF Directors on the Board of which at least 1 (One) shall be a non-retiring Director in the event IBOF's shareholding in the Company drops to below 20% (Twenty percent) of the Total Issued Shares;
 - (iv) IBOF shall be entitled to nominate 1 (One) non-retiring IBOF Director on the Board of Directors of the Company, when IBOF's shareholding in the Company drops to below 10% (Ten percent) of the Total Issued Shares;
 - (v) IBOF shall also be entitled to appoint 1 (one) non-retiring IBOF Director on the board of directors of each of the Subsidiaries and each of the joint ventures formed by the Company and/or the Subsidiaries so long as IBOF hold not less than 5% (Five percent) of the Total Issued Shares;
 - (vi) IBOF shall not be entitled to nominate any IBOF Directors on the Board of Directors of the Company, Subsidiaries and joint ventures when IBOF's shareholding in the Company drops to below 5% (Five percent) of the Total Issued Shares;

- (vii) The Board shall also appoint 1 (one) IBOF Director or his/her alternate or Representative on any committee constituted by the Board.

20.6 Constitution of the Board of Directors

- (a) The Board comprises of 10 (Ten) Directors of which:
 - (i) 1 (One) shall be VSIPL Director;
 - (ii) 1 (One) shall be PIOF Director;
 - (iii) 2 (Two) shall be IBOF Directors;
 - (iv) 2 (Two) shall be an Independent Director;
 - (v) 1 (One) Promoter Director;
 - (vi) 3 (Three) Directors are appointed by the Promoter.

20.7 Changes in the Constitution of the Board of Directors

Subject to Articles 20.3 and 20.6 above and the Affirmative Vote Operational Matters any one or more Investors may request the composition of the Board of Directors of the Company to be different from what has been specified in Article 20.6 above and upon such request the Investors and the Promoter shall mutually agree to change the composition of the Board of Directors.

20.8 Nature of nominee directorships

- (a) Subject to Article 20.3 to 20.6 above, the appointment of the Promoter Directors, Investor Directors and Independent Directors shall be governed by the Agreement.
- (b) Any of the Directors of the Company, may under the relevant Laws, appoint an alternate director (hereinafter referred to as “**Alternate Director**”) to act for the Original Directors (hereinafter referred to as “**Original Director**”). An Alternate Director shall not hold office for a period longer than that permitted for the Original Director.
- (c) The Board shall have a right to fill any causal vacancy caused in the office of the Directors appointed and/or nominated by the Parties, by reason of his/her resignation, death, removal or otherwise.
- (d) However, the Board shall appoint only such Person as is recommended by the Party appointing/nominating the Original Director whose office has become vacant.
- (e) All nominations for the replacement Director made by the respective Party shall be in writing and shall take effect upon receipt at the office of the Company.

The VSIPL Director, PIOF Directors and IBOF Directors shall not be an executive or whole time Director of the Company and shall have no responsibility for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Laws and shall not be an “officer in default” (under the Act) or “occupier” (of the Company’s premises) under applicable Laws.

- (f) The Investors will not oppose nomination of Promoters’ nominees to the board of directors provided that following appointment of such nominees the composition of the board of directors is in consonance with the provisions of Article 18 except in the case of a Breach or Material Default being committed by the Company or the Promoter under the Agreement, EILSF Agreement, and the NTICL Agreement.

20.9 Directors’ and officers’ liability insurance

The Company shall, procure and maintain at all times suitable “directors’ and officers’ liability insurance cover” in favour of all the Directors from a reputable insurance company for an adequate amount as determined by the Board which cover would also insure against any claims or Liabilities resulting from the actions or omissions of the Directors as directors of the Company for an adequate amount as determined by the Board.

20.10 Managing director(s)/whole time director(s)/executive director(s)/manager

Subject to the provisions of section 203 of the Act, these Articles and the Agreement, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

20.11 Provisions to which managing director(s)/whole time director(s)/executive director(s)/manager are subject

A Managing Director(s)/whole time director(s)/executive director(s)/manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/whole time director(s)/executive director(s)/manager, and if he ceases to hold the office of a Managing Director(s)/whole time director(s)/executive director(s)/manager he shall ipso facto and immediately cease to be a Director.

20.12 Remuneration of managing director(s)/whole time director(s)/executive director(s)/manager

The remuneration of the Managing Director(s)/whole time director(s)/executive director(s)/manager shall (subject to sections 196, 197 and 203 and other applicable provisions of the Act, these Articles, the Agreement and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

20.13 Power and duties of managing director(s)/whole time director(s)/executive director(s)/manager

Subject to the superintendence, control and direction of the board, the day-to-day management of the company shall be in the hands of the managing director(s)/whole time director(s)/executive director(s)/manager(s) in the manner as deemed fit by the board and subject to the applicable provisions of the Act, these Articles and the Agreement, the board may by resolution vest any such managing director(s)/whole time director(s)/executive director(s)/manager with such of the powers hereby vested in the board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

21. QUALIFICATION OF DIRECTORS

No Director shall be required to hold qualification shares.

21.A. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, these Articles and the Agreement, a Managing

Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

- (b) Subject to the applicable provisions of the Act and the Agreement, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to section 197 of the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

22. SITTING FEE

The Company will reimburse reasonable travel expenses incurred by Directors associated with attending/participating in Board meetings subject to limits, if any, as decided by the Board of Directors. The provisions of this Article 22 would apply to any Subsidiaries of the Company as well. The Board of Directors of the Company shall decide whether any sitting fees for attending the Board Meetings and/or Director's remuneration is payable to any one or more of the Directors.

22.A. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act and the Agreement.

23. RESIGNATION OF DIRECTORS

- 23.1 A whole-time Director may resign from his office by giving notice in writing to the Board in accordance with the terms and conditions of his appointment and his resignation shall become effective only on acceptance by the Board.
- 23.2 Any other Director may resign from his office by giving a written notice to the Board or an oral notice to the Company in General Meeting; and such resignation shall take effect forthwith (date of receipt of resignation by the Company) or from the date, if any, specified in the notice of resignation.
- 23.3 In the event of resignation by a whole-time Director, his resignation shall be deemed, unless stated otherwise, as the resignation from both the offices, viz., office of whole-time Director and the Director; and on acceptance of such resignation he shall be deemed to have ceased to be a whole-time Director as well as Director of the Company.

24. FREQUENCY AND PLACE OF BOARD MEETINGS

The Board shall meet at least once every 3 (three) months and shall subject to the availability of the Directors endeavour to meet at least once every 2 (two) months and all Board meetings shall be held in Bangalore unless agreed to otherwise by the Investors. The Board of Directors prior to the beginning of each calendar year will agree upon the schedule of regular Board Meetings for each calendar year. Board members shall attend every meeting of the Board in person on a best effort basis.

24.1 Meetings of the Board

- (i) At least 14 (fourteen) days' notice of each Board Meeting shall be given to each Director (and his/her alternate) unless otherwise agreed to in writing by the Investor Directors. Such notice shall be sent by hand delivery or by post or by electronic means.
- (ii) The Agenda setting out in reasonable detail the items of business proposed to be transacted at the Meeting of the Board shall be sent to all Directors (and their alternates) at least 7 (seven) days before the date of the Meeting of the Board. An item not specified in the Agenda shall not be discussed at any Board meeting, except with the consent of each Investor Director.
- (iii) Subject to section 179 (3) of the Act and the Agreement, all matters which do not require board meetings to be convened in person, may be circulated and passed through circular resolution, including Affirmative Votes Matters. It is hereby clarified that a resolution may be passed through circulation only in the event that any Investor Director has expressed his inability to be physically present at such meeting as set forth above. The provisions of Article 29.2 of these Articles shall apply *mutatis mutandis* to this Article 24.
- (iv) For Affirmative Vote Matters in Articles 18, 19 (in relation to appointment of auditors) and 17 (approval/adoption of the financial statements) and Affirmative Vote Critical Matters which are required to be undertaken by the Company within a specified time to ensure compliance with law by the Company or any of its Subsidiaries, the Investor Directors shall, within 7 (seven) days of service of notice to that effect, provide their affirmative vote or rejection on the matter. If the Investor Director is not present or do not vote on such matters within 7 (seven) days of service of notice, the directors present will constitute a valid quorum and any resolution passed in such circumstances shall not constitute a breach by the Company, the Directors or the Promoter.

24.2 Quorum for Board Meetings

Subject to Article 24.2 (b) below and the Agreement the quorum for any Board Meeting shall be such minimum number of Directors as is required to form a quorum under the Act.

(a) Affirmative Board Matters

- I. Subject to Articles 24.2 (a)II, 24.2 (a) III, other Articles of 29.2 below and the Agreement, no resolution shall be validly passed or decision be taken by the Board Meeting or by circulation or decision by the management committee of the Company or by the management in any other manner whatsoever in respect of:
 - (i) An Affirmative Vote Critical Matter and Affirmative Vote Matter – Promoter without an Affirmative Voting;
 - (ii) An Affirmative Vote Operational Matter without an Affirmative Majority Voting.
- II. The rights of a Relevant Investor as specified in this Article 29.2 below shall continue with respect to that Relevant Investor only so long as each of such Relevant Investor respectively holds not less than 5% (Five percent) of the Total Issued Shares in the Company.
- III. The rights of the Promoter specified in this Article 29.2 shall continue only so long as the Promoter holds not less than 12% (Twelve percent) of the Total Issued Shares in the Company.

(b) **Quorum**

The quorum for any Board Meeting shall require the presence of at least 1 (one) VSIPL Director, 1 (one) PIOF I Director and 1 (One) IBOF Director or their respective alternates. In the event that a Board meeting is to be adjourned for lack of quorum, the meeting shall be adjourned in accordance with the terms of Article 24.2 (c) below.

(c) **Adjourned Board Meetings**

(i) In the absence of the VSIPL Director or the PIOF I Director or the IBOF Director or their respective alternates at a Board Meeting, the Board Meeting shall stand adjourned to the same day in the next week (or such other later date as the Chairman may decide with the prior written consent of the VSIPL Director, the PIOF I Directors and the IBOF Director at the same time and place, and the Directors present at such adjourned meeting shall constitute a quorum provided that:

- i. written notice of the adjournment was given to each Director and his/her alternate at their usual address for service of notices of Board Meetings not less than 5 (five) days prior to the date of the adjourned meeting;
- ii. no items are considered at the adjourned meeting which were not on the Agenda for the Board Meeting which was adjourned;
- iii. the requisite quorum as per the Act is present;
- iv. Except as otherwise specifically provided in these Articles and the Agreement in respect of Affirmative Vote Matters and relevant applicable Laws, all questions arising at Board Meetings or the adjourned Board Meetings shall be decided by a simple majority of votes of the Directors present and entitled to vote.

(d) The Board of Directors of the Company shall also be entitled to pass Circular Resolutions in accordance with relevant provisions of the Act, subject however to an Affirmative Voting or Affirmative Majority Voting, as the case may be.

(e) **Minutes**

The minutes of board meetings shall be sent to the Directors and the Majority Shareholders within 14 (Fourteen) days after the holding of such meetings.

(f) **Meeting through Teleconferencing or Video conferencing, etc**

Subject to compliance with the relevant provisions of the Laws and this Article 24, any meeting of the Board or any committee thereof may be held by participation of the Directors of the Board through teleconferencing or video conferencing and such meeting shall be valid if the minutes of such meeting has been approved and signed subsequently by all the Directors who participated in such meeting.

25. POWERS OF THE BOARD

Subject to the provisions of the Act, these Articles, and the Agreement, the Board shall have the following powers:

- 25.1 To borrow, with or without security, from any source, without any restrictions as to ceiling, however, subject to the provisions of sections 2(31), 73 and 74 of the Act;
- 25.2 To make loans or lend money to anyone with or without Security and interest;

- 25.3 To invest the funds of the Company in any manner as may be deemed profitable to the Company;
- 25.4 To give guarantee or provide any security for any amount, with or without consideration;
- 25.5 To draw, make, accept, negotiate, endorse, discount, assign, execute, issue, buy or sell, promissory notes, bills of exchange, bills of lading and other negotiable instruments;
- 25.6 To make donations in any form, statutorily required or otherwise for the purpose of contribution to:
 - (a) financial health of the Company; or
 - (b) welfare of the Members and the employees of the Company (and their families) present or past;
- 25.7 To remit or give time for the payment, any debt due by a Director, customer or buyer or an employee;
- 25.8 To write off any bad debts;
- 25.9 To pay preliminary expenses, including those of any Company promoted by the Company;
- 25.10 To adopt, execute any or all the pre-incorporation contracts;
- 25.11 To delegate any or all the powers contained herein to any functional Directors, with an authority for further sub-delegation;
- 25.12 To purchase any property movable or immovable in India or abroad,
- 25.13 To appoint an attorney(ies) of the Company, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) as may be deemed proper and to revoke such appointments;
- 25.14 To frame rules where required by the provisions of these Articles; and
- 25.15 Generally to do all deeds and things as the expedience of the business warrants.

26. APPOINTMENT AND TENURE OF THE CHAIRMAN

The Promoter shall be appointed as the Chairman of the Company and the Chairman shall not have any casting vote in any Board Meetings or the General Meetings. Subject to the provisions of the Act and the Agreement, the Chairman may also be appointed as the managing director or the chief executive officer of the Company.

27. POWERS OF THE CHAIRMAN

Subject to the provisions of the Act, these Articles and the Agreement:

- 27.1 The Chairman shall preside over every meeting of the Board and Shareholders.
- 27.2 The Chairman may adjourn Board meeting or a General Meeting or a meeting of any Committee, as he may deem proper, if and when;
 - (a) a quorum is not present within 15 minutes from the time appointed for holding the meeting;
 - (b) a poll is demanded;
 - (c) a Member raises a point of order (strictly confined to incorrect procedure, irrelevancy and unparliamentary language or transgressing the provisions of Articles of Association of the Company);
 - (d) the meeting is turned into a mock show.

27.4 The Chairman may at his discretion close a debate of motion by the Member if he is satisfied that such debate serves no useful and constructive purpose.

27.5 Scrutineers:

In each General Meeting, the Chairman shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have the power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the scrutineers appointed under this Article, one shall always be a Member (not being an officer or employee/s of the Company) present at the meeting, provided such a Member is available and willing to be appointed and one shall always be an officer or employee of the Company.

28. AUTHORITY VESTED IN CHAIRMAN TO CALL BOARD MEETINGS

Subject to the provisions of the Act, these Articles, and the Agreement:

28.1 The Chairman shall have the responsibility to call a Board meeting in accordance with the provisions contained in sections 173 and 174 of the Act.

28.2 If the business expediency so warrants, not less than 2 Directors may requisition to the Chairman for summoning a meeting of the Board.

28.3 The Chairman shall act on requisition referred to in the preceding sub-article 28.2, within a fortnight of its receipt.

29. GENERAL MANAGEMENT

29.1 General Management

Subject to the Act and the Agreement:

- (a) The Company shall be managed by the Board.
- (b) The Promoter shall not undertake any other commercial business other than in the Company, without the explicit written consent of VSIPL, PIOF and IBOF, save and except investments already made by the Promoters.
- (c) The Promoter shall continue to devote his full time with the Company for a period of not less than 2 (Two) calendar years from the date of the IPO as a whole time Employee of the Company.
- (d) The terms and conditions of the appointment including the remuneration payable to the Promoter would be decided by the Board.
- (e) The Promoter shall exercise his powers subject to the superintendence, control and direction of the Board and for these purpose appropriate powers would be delegated to him by the Board.
- (f) Any change in the terms and conditions of the appointment as well as payment of compensation and benefits to the Promoter will be done with the prior approval of the Board.
- (g) The Board will at any time, have the right to terminate the appointment of the Promoter for Cause.
- (h) None of the Employees including the Promoter and the Key Employees of the Company shall assume any executive responsibilities in any Entity other than the Company without the prior written consent of the Board.

- (i) The Investors shall at all times be entitled to monitor the operations of the Company.
- (j) The Promoter shall provide the Company with the necessary managerial and technical expertise such that the Company would operate consistent with prudent industry practice.
- (k) Subject to the provisions of these Articles and the Agreement, the Promoter shall retain management control of the Company and there shall be no change in Control in relation to such Promoter as are corporate bodies.
- (l) Subject to the provisions of these Articles and the Agreement the Company shall use the proceeds toward; (i) the development of the Company's Business, and; (ii) not to retire or redeem outstanding Debt or make any non-standard payments to Majority Shareholders, directors, officers, employees or Affiliates of the Company, or make any other distributions (by way of dividend or otherwise).

29.2 Affirmative Vote Matters and Deadlock Resolution

- (a) Unless waived by all the Investors in writing, in the event the Promoter and/or any of the Parties and/or the management of the Company ("**Proposer**") intend to propose any resolution pertaining to any business set forth in the Affirmative Vote Matters at the Board Meeting and/or the Shareholders Meeting, the Proposer shall circulate to each of the Majority Shareholders the proposal comprising of a note which sets out in reasonable detail all information pertaining to the business proposed including its justification accompanied by all necessary and relevant papers in support thereof ("**Proposal**").
- (b) The Company shall issue the notice for the board meeting of the Company or the shareholders' meeting of the Company in accordance with Articles 28 and 29 respectively and the Majority Shareholders shall provide their prior written approval to the Proposal prior to the board meeting or the shareholders' meeting, as the case may be.
- (c) In the event all the Majority Shareholders either provide their written approval to the Proposal or fail to respond in writing to the Proposal within the time specified in Article 29.2 (b) above, then, the Proposer shall be entitled to request either the Promoter or the Company Secretary or the Finance Head of the Company in writing to convene a Board Meeting or a Shareholders Meeting ("**Request for Meeting**").
- (d) The Promoter or the Company Secretary or the Finance Head of the Company shall on receipt of the Request for Meeting convene a Board Meeting or take such steps as may be deemed necessary to convene a Shareholders Meeting to consider and approve the Proposal.
- (e) In the event of any of the Majority Shareholders decline in writing to provide their approval to the Proposal pertaining to an Affirmative Vote Critical Matter ("**Critical Proposal**") within the time specified in Article 29.2 (b) above, then, the following procedure shall be pursued by the Majority Shareholders to resolve the deadlock ("**Critical Deadlock**"):
 - (i) The Majority Shareholders shall pursue mutual discussions amongst themselves on the Critical Proposal so as to convince the declining Majority Shareholder/s on the Critical Proposal and resolve the Critical Deadlock;
 - (ii) Unless and until the Critical Deadlock is resolved by arriving at a unanimous decision by and amongst all the Majority Shareholders in respect of the Critical Proposal, the Critical Proposal shall not be included in an Agenda or Shareholders Meeting Notice, as the case may be, for consideration at a Board Meeting or the Shareholders Meeting, as the case may be.
- (f) In the event of any of the Majority Shareholders decline in writing to provide their approval to the Proposal pertaining to an Affirmative Vote Operational Matter ("**Operational Proposal**") within the time specified in Article 29.2 (a) and 29.2 (b) above, then, the following procedure shall be pursued by the Majority Shareholders to resolve the deadlock ("**Operational Deadlock**"):

- (i) The Majority Shareholders shall pursue mutual discussions amongst themselves on the Operational Proposal so as to convince the declining Majority Shareholder/s on the Operational Proposal and resolve the Operational Deadlock within a period of 45 (Forty Five) calendar days after receipt of the Proposal;
- (ii) In the event the Majority Shareholders are not able to resolve the Operational Deadlock within the time specified in Article 29.2(f)(i) above, then, the Majority Shareholders in favour of the Operational Proposal shall be entitled to issue a Request for Meeting as envisaged in Article 29.2 (c) above;
- (iii) The Promoter or the Company Secretary or the Finance Head of the Company shall on receipt of the Request for Meeting convene a Board Meeting or take such steps to convene a Shareholders Meeting (as may be necessary) to consider and approve the Operational Proposal;
- (iv) At the Board Meeting convened by the Promoter or Company Secretary or the Finance Head of the Company the Operational Proposal shall be deemed to have been approved by the Board Meeting if a majority of the Investor Directors votes in favour of the Operational Proposal;
- (v) At the Shareholders Meeting convened by the Promoter or the Company Secretary or the Finance Head of the Company the Operational Proposal shall be deemed to have been approved by the Shareholders Meeting if the Majority Shareholders holding a majority of the Total Issued Shares votes in favour of the Operational Proposal.

29.3 Affirmative vote matters - Critical Matters

Any of the critical matters specified below: (a) the pursuit of which matter in the Company in any manner whatsoever would always require the prior written consent of each of IBOF, VSIPL and PIOF in the manner contemplated in Article 29.2 of these Articles and the Agreement and (b) in respect of which the passing of any resolution at a Shareholders Meeting or a Board Meeting would always require an Affirmative Voting of each of IBOF, VSIPL and PIOF in the manner contemplated in Article 29.2 of these Articles and the Agreement:

- (a) Issue any fresh Shares (including preference shares, convertible debentures, warrants or any other quasi equity instrument) at a price per share lower than Rs. 110.68/- (Rupees One Hundred and Ten and Paise Six Eight only) as adjusted for any future stock splits, stock dividends and bonus shares;
- (b) Pursuing any other amendment to the Memorandum and Articles of Association of the Company, save and except to the extent specifically provided for otherwise in sub-article (a) of Article 29.4 below.
- (c) Pursuing any amendment to the Memorandum and Articles of Association of the Company for either increasing the authorized share capital or paid up share capital of the Company or for the purpose of amending the rights of any of the consenting Investors or incorporating the rights of the new investors being issued any fresh shares including making any changes in the minimum number of Directors on the Board in connection with the fresh issue of shares by the Company only where the rights of or VSIPL, IBOF or PIOF being a non consenting Investor would be adversely impacted in any manner by such an amendment.
- (d) Obtaining of any Debt of any nature in the Company either by borrowing monies or by issue of any Debt securities in the Company as well as entering into any rearranging or rescheduling of the debt or the provision of any guarantee or extension of any credit, in excess of the limits stipulated in the Business Plan.
- (e) Approval of any Transfer of shares of the Company by Promoter. Declaration or payment of dividends (other than Minimum Dividend) or any other distribution, Directly or Indirectly on account of any shares of the Company or Buyback or redeeming of shares of the Company.
- (f) Any decision relating to Corporate Restructuring irrespective of whether such a transaction results in a change of Control of the Company or otherwise.

- (g) Voluntary winding up or dissolution or liquidation of the Company.
- (h) Approval of execution or amendment of Related Party contracts between the Company and any Investors in the Company or the Promoter with the Company.
- (i) Delegation of powers by the Company to any Shareholder or Directors or Key Employees by the issue of a power of attorney by the Company.
- (j) Appointment or removal of statutory or internal auditor.
- (k) The acquisition of any other company or business or pursuing any diversification or expansion.
- (l) Approval and/or adoption of the financial statements of the Company, whether audited or unaudited and making any changes in the Company's Financial Year or in its accounting policies.
- (m) Approval of or amending any of the Business Plan or the Operating Budgets of the Company except to the extent specifically provided for in sub-articles (c), (d) and (e) of Article 29.4 below.
- (n) Incurring any capital expenditure exceeding 10% over and above the limits of capital expenditure specified in the Business plan, in a Financial Year.
- (o) Acquiring or selling any assets of the Company exceeding 10% over and above the limits of acquiring and selling any assets specified in the Business Plan in a Financial Year.
- (p) Making any investments by the Company exceeding 10% over and above the limits of making investments by the Company specified in the Business Plan in a Financial Year.
- (q) Capitalization of expenses.
- (r) Decision to cease to conduct or carry on the business of the Company.
- (s) Changing any rights of the Investor.
- (t) Entering into Related Party transactions.
- (u) Make any loan or advance to the Promoter.
- (v) Any delegation of any of the above matters.

29.4 Affirmative vote matters - Operational Matters

Any of the operational matters specified below in respect of which the passing of any resolution at a Shareholders Meeting or a Board Meeting would always require a mutual consultation by and amongst the Investors and an Affirmative Majority Voting.

- (a) Pursue any amendment to the Memorandum and Articles of Association of the Company for either increasing the authorized share capital or paid up share capital of the Company or for the purpose of amending the rights of any of the consenting Investors or incorporating the rights of the new investors being issued any fresh shares including making any changes in the minimum number of Directors in connection with the fresh issue of shares by the Company where the rights of VSIPL or IBOF or PIOF being a non consenting Investor are not adversely impacted in any manner by such an amendment.
- (b) Make any investments by way of deposits, loans or subscription to shares and debentures other than normal treasury investments made as per the investment policy approved by the Board.

- (c) Incurring any capital expenditure not exceeding 10% over and above the limits of capital expenditure specified in the Business plan, in a Financial Year.
- (d) Acquiring or selling any assets of the Company not exceeding 10% over and above the limits of acquiring and selling any assets specified in the Business Plan in a Financial Year.
- (e) Making any investments by the Company not exceeding 10% over and above the limits of making investments by the Company specified in the Business Plan in a Financial Year.
- (f) Capitalization of expenses.
- (g) Sale, Transfer, lease, license etc, of any Intellectual Property or intangible asset and/or the pursuit of any action which could have an adverse effect on the brand equity of the Company.
- (h) Appointment and removal of any Key Employees of the Company including the chief financial officer.
- (i) Determination and payment of any remuneration or benefit to the Directors or Key Employee or Consultants, excluding the appointment of any Consultants who are being paid remuneration in line with industry practice.
- (j) Creating Lien on the assets of the Company or on shares of the Company.
- (k) Deciding the: (i) grant of any employee stock options to the Key Employees of the Company or; (ii) terms or; (iii) amending the terms governing any employee stock option or employee share purchase plan of the Company.
- (l) Grant a security interest, encumber, Transfer or otherwise dispose of any Intellectual Property of the Company and/or its subsidiaries'.
- (m) Appointment and removal of Independent Directors.
- (n) Make any loan or advance to any Person, including, any employee or director (other than to the Promoter) except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board.
- (o) Sell, encumber, pledge or create a Lien on the Promoter Shares, or do any other act which has the effect of undermining the underlying beneficiary/fiduciary rights and responsibilities of the Promoter.
- (p) Any delegation of any of the above matters.

29.5 Affirmative Vote Matters of the Promoter

Any of the matters specified below: (a) the pursuit of which matter in the Company in any manner whatsoever would always require the prior written consent of the Promoter in the manner contemplated in Article 29.2 and the Agreement and (b) in respect of which the passing any resolution at a Shareholders Meeting or the Board Meeting would always require an Affirmative Voting of the Promoter in the manner contemplated in Article 29.2 and the Agreement:

- (a) Issue and allotment of fresh Shares in the Company including any employee stock option scheme.
- (b) Voluntary winding up and liquidation of the Company.
- (c) Any sale of the whole or substantially the whole of the business of the Company.
- (d) Any Related Party transactions.
- (e) Any borrowings by the Company.

- (f) Appointment of the chairman of the Company.
- (g) Appointment and removal of any Key Employees of the Company including the chief financial officer.
- (h) Approval of any Transfer of shares of the Company except for any Transfer (or proposed Transfer) of Shares pursuant to these Articles and the Agreement or the Existing Shareholders Agreement.
- (i) Any amendment to the Memorandum and Articles of Association of the Company including changes in the minimum or maximum number of Directors.
- (j) Any decisions relating to Corporate Restructuring to be pursued by the Company of resulting in a change of Control of the Company.
- (k) Appointment and removal of Independent Directors.

29.6 Business Plan of the Company

- (a) Business Plans will be prepared by the Promoter and reviewed by the Investors considering all necessary and relevant factors of the Business and approved by the Board.
- (b) However, the Majority Shareholders recognise, acknowledge and agree to the need for jointly discussing and making changes to the Business Plan.
- (c) The Business Plan apart from being reviewed once every year may be modified and varied by the Board of the Company at any time based on market developments and other factors as it deems fit.
- (d) The Promoter shall also prepare the Business Plan and get the same approved by the Board prior to the beginning of each Financial Year of the Company.
- (e) The Company shall and the Promoter shall ensure that the Company shall utilize the funds of the Company only to finance the Company's operations and as per the approved Business Plan.
- (f) The Company shall and the Promoter shall ensure that the Company shall not deviate from the approved Business Plan without the prior written approval of the Board of Directors.

29.7 Monitoring

- (a) Subject to the provisions of the Agreement, the Relevant Investors will be provided with and have access to all Financial Statements, records, minutes, reports, information and data of the Company as the Relevant Investor may deem fit and relevant from time to time.
- (b) Subject to the provisions of the Agreement, the Relevant Investors may conduct independent inspections of the financial records of the Company at its own cost and expenses and in the course of such an inspection, the management of the Company will provide all support and cooperation as may, in the opinion of be deemed necessary for the inspection.
- (c) Each of the Relevant Investors shall have a right to, at its sole option and expense to conduct on a periodical or on a one time basis a special audit of the Company including through an external Person.
- (d) The Company shall furnish to each Relevant Investor such information and data as may be required by that Relevant Investor during the tenure of its shareholding in the Company.
- (e) For the purposes of this Article the Company shall furnish to each Relevant Investor or its Representatives such information and data as may be required by it from time to time.
- (f) Each Relevant Investor or its Representatives shall be entitled to monitor the operations of the Company.

- (g) Representatives of each of the Investor shall at all times during the term of these Articles and the Agreement have access to any of the Company's premises or offices.

29.8 Accounts, Financial Statements, Internal MIS and Information covenants

- (a) The Board of Directors shall have always appointed a finance head of the Company ("**Finance Head**") who would function under the supervision of the Promoter and shall be responsible for the financial management of the Company.
- (b) All important financial and accounting records and statements including the Financial Statements shall require the approval and signature of the Promoter and the Finance Head.
- (c) The Company will maintain complete and accurate books, records and accounts of its operations at its registered office or any other place subject to the prior approval of the Board in accordance with applicable Laws.
- (d) The Finance Head and Promoter shall be responsible for preparation of the following ("**Financial Statements**") and the circulation to each of the Investors of the Financial Statements within the time schedule specified below:
 - (i) Unaudited consolidated monthly Accounts of the Company within 15 (Fifteen) calendar days after the end of each calendar month;
 - (ii) Unaudited consolidated quarterly Accounts of the Company within 30 (Thirty) calendar days after the end of each calendar quarter;
 - (iii) Unaudited consolidated annual Accounts of the Company for the Financial Year within 45 (Forty Five) calendar days after the end of each Financial Year;
 - (iv) Audited consolidated annual Accounts of the Company for the Financial Year within 90 (Ninety) calendar days after the end of each Financial Year;
 - (v) Annual Report of the Company for the Financial Year comprising of: (i) the audited consolidated annual Accounts; (ii) Cash Flow Statement; (iii) a discussion of key issues and variances to the budget with comparative figures for the same period during the preceding Financial Year; and (iv) the management discussion and analysis of the operations of the Company for that period within 90 (Ninety) calendar days after the end of each Financial Year.
- (e) At the end of each Financial Year and within such reasonable time as may be decided by the Board of Directors from time to time, the Finance Head shall prepare such information as shall be necessary for the preparation for any tax returns and statements as may be required by each Party ("**Tax Information**"). This shall include furnishing each of the Majority Shareholders with copies of government receipts for income taxes paid by the Company.
- (f) The Promoter shall provide the Majority Shareholders and their nominated Directors on the Board of the Company MIS information/reports, in a mutually agreed format, on a monthly basis duly certified by the Promoter to be received by the 7th (Seventh) of the following month.
- (g) The Promoter shall furnish to the Majority Shareholders such information and data as may be required by them from time to time including board papers and utilization of funds and other information (hereinafter referred to as the "**Miscellaneous Company Information**") during the tenure of such Majority Shareholders shareholding in the Company.
- (h) The Promoter shall promptly notify the Majority Shareholders and the Directors of the Company of the receipt by the Company of any notice of winding up or initiation or a threatened initiation of a legal action or any nature, which could have a Material Adverse Effect on the Company as well as such other financial and accounting reports and information as the Investors may reasonably request on a timely basis:

- (i) Copies of any reports submitted for purposes of regulatory compliance and of notices received or reports or notices submitted to any governmental agency;
- (ii) Copies of any changes to licenses and any material agreements;
- (iii) Details of any litigation (including any winding-up proceedings or notices under any enactment or regulation), proceedings or material dispute or adverse changes that impedes or which is likely to adversely affect its business or assets or otherwise;
- (iv) Details of any event of force majeure or any other event which would have an effect on the Company's profits or business.

29.9 Books of Accounts

Subject to the provisions of the Act, these Articles and the Agreement:

- (a) The Directors shall at the expense of the Company cause proper books of accounts to be kept in accordance with the provisions of sections 2(13) and 128 of the Act and shall from time to time determine whether and to what extent and to what time and place and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of the Members not being Directors.
- (b) No Member, not being a Director, shall have any right of inspecting any account or books or documents of the Company except as conferred by Law or authorized by the Directors or by the Company in General Meeting.
- (c) At every Annual General Meeting, the Board shall lay before the Company a balance sheet and profit and loss account made up in accordance with the provisions of section 129 of the Act, and such balance sheet and profit and loss account shall comply with the requirements of the Act, including section 129, section 2(2), 129, 133 section 134 and of Schedule VI of the Act, so far as they are applicable.
- (d) Every account when audited and approved, by a General Meeting shall be conclusive except as regards any error discovered therein with three months next after the approval thereof. Where any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

29.10 Directors Report

There shall be attached to every balance sheet laid before the Company a report by the Board of Directors complying with the provisions of section 134 of the Act.

29.11 Audit

Once at least in every year the books of account of the Company shall be examined and audited by one or more auditors in accordance with the provisions contained in that behalf in the Act, these Articles and the Agreement.

29.12 Auditors

- (a) The Shareholders of the Company shall appoint one of the Big Four Accounting Firm recommended by the Board of Directors as the Statutory Auditors of the Company.
- (b) The Board of Directors shall, appoint an independent reputable accounting firm operating in India, as the internal auditor of the Company as acceptable to the Investors.

29.13 Audit Committee and Compensation Committee

The Company has constituted the Audit Committee, Compensation Committee and any other

committees to bring it in line with the provisions of the Agreement and undertakes that such committees will be maintained and will function as per applicable Law and the terms of these Articles and the Agreement.

29.14 Manager and Secretary

Subject to the provisions of the Act, these Articles and the Agreement, a manager or secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any manager or secretary so appointed may be removed by the Board.

29B. DOCUMENTS AND NOTICES

- (a) Subject to the Agreement, a document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.
- (h) Shareholders to notify address in India

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

- (i) Service on members having no registered address

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

- (j) Service on persons acquiring shares on death or insolvency of shareholders

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

30. INDEMNITY

Subject to the provisions of the Act, these Articles and the Agreement as well as the Indemnity obligation under the Agreement issued by the Company to the Investors every Officer, Manager, Director or Agent of the Company, be and is hereby indemnified out of the assets of the Company against any liability incurred by him in discharging his acts bonafide.

30.A BREACH BY PROMOTER AND CONSEQUENCES THEREOF

- 30A.1 In the event of a Breach by the Company and/or the Promoter, the Aggrieved Party shall give the Company and/or the Promoter a Breach Notice.
- 30A.2 In the event of a failure of the Company and/or the Promoter to remedy the Breach within a period of 30 (thirty) calendar days from the date of receipt of the Breach Notice or such additional period as agreed by the Aggrieved Party in writing, the Company and the Promoter unconditionally agrees to pay Damages suffered by the Aggrieved Party.
- 30A.3 The Company and the Promoter hereby jointly and severally agree to indemnify and hold harmless the Aggrieved Party as well as each one of its directors, employees and Affiliates from and against any Damages suffered by the Aggrieved Party or any of its directors, employees and Affiliates, as a result of the said Breach including in enforcing and preserving the rights of the Aggrieved Party.
- 30A.4 The rights and remedies under Clause 30A shall be without prejudice to the right of the Aggrieved Party to pursue specific or injunctive relief.
- 30A.5 Notwithstanding anything that may be contained in these Articles, the Agreement and subject to applicable Law, in the event of a Breach by the Company and/or the Promoter, the Company and the Promoter hereby agree that they shall purchase, or arrange to have purchased, all the Shares then held respectively by the Investors at a price such that it respectively gives them an internal rate of return of 18% (eighteen percent) per annum compounded annually over their respective investment price per Share computed from the respective dates of their respective investments or a fair market value, whichever is higher.
- 30A.6 Provided that if there has been a Breach by any of the Investors (each a “Defaulter”) then, the Company and the Promoter shall not be obliged to purchase the Shares held by the Defaulter under Article 30A.5 above.
- 30A.7 In the event of a buyback of Shares held by the Investors pursuant to Article 30A.5 above, the Promoter shall facilitate a pro-rata buy back of Shares held by the Investors by the Company and undertake not to require the Company (based on the Shares held by each participating Investor) to buy back the Shares held by the Promoter on a proportionate basis, so as to enable the Company to purchase all the Shares held by the Investors, to the extent permitted under the Act.

31. COMMON SEAL

Subject to the provisions of the Act, these Articles and the Agreement, the Common Seal of the Company shall be affixed to any instrument (if such affixing has been authorised by a duly passed resolution of the Board or of a Committee of the Board) in the presence of only one Director or the Secretary of the Company, if any, and such Director or the Secretary shall sign every instrument to which the Common Seal of the Company is so affixed in his presence.

31.A. CAPITALIZATION OF PROFITS

Subject to the provisions of the Act and the Agreement, the Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize 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 Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

32. CAPITALIZATION OF RESERVE

Subject to the provisions of the Act, these Articles, and the Agreement,

32.1 The Company in 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 the distribution in the manner specified in Article 32.2 amongst the Members who have been entitled thereto, if distributed by way of dividend and in the same proportions.

32.2 The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 32.3, 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 proportion aforesaid or
 - (c) Partly in the way specified in sub article (a) and partly in that specified in sub article (b)
- 32.3 A share premium account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
- 32.4 The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

33. SECRECY CLAUSE

- 33.1 Subject to the provisions of the Act, these Articles and the Agreement, every Director, manager, auditor, treasurer, trustee, member of the committee, officer, servant, agent, account or other Person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration, pledging himself to observe strict secrecy with respect to all transactions and affairs of the Company and the state of the Company's accounts and with respect to matters relating hereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by Law and except so far as may be necessary in order to comply with any of the provisions in these Articles.
- 33.2 No Member shall be entitled to visit or inspect any work of the Company without the permission of the Board or to require discovery of or any information respecting any details of the Company's trading or any other matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

34. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these Articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Offer Opening Date until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated July 24, 2015 between our Company, the Selling Shareholders and the BRLMs
2. Registrar Agreement dated July 24, 2015 between our Company, the Selling Shareholders and the Registrar to the Offer
3. Escrow Agreement dated [●] between our Company, the Investor Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s)
4. Share Escrow Agreement dated July 17, 2015 entered by AOPL, Dr. G Kilara, Dr. K Harish, Shubha Harish, Dr. Nalini Kilara, Ganga Ramaiah, Rajesh Ramaiah, our Company and the Escrow Agent
5. Investor Escrow Agreement dated [●] entered into by our Company, Dr. BS Ajai Kumar, Gangadhara Ganapati, Investor Selling Shareholders and the Escrow Agent
6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time
2. Certificate of incorporation dated March 12, 1998
3. Fresh certificate of incorporation dated November 14, 2005 issued by RoC upon change of name to HealthCare Global Enterprises Private Limited
4. Fresh certificate of incorporation dated July 5, 2006 issued by RoC at the time of conversion from a private limited company into a public limited company
5. Resolutions of the Board of Directors dated May 29, 2015 in relation to the Offer and other related matters
6. Shareholders' resolution dated June 15, 2015 in relation to this Offer and other related matters;
7. Letter dated June 15, 2015 by Dr. BS Ajai Kumar in relation to the Offer for Sale
8. Letter dated June 16, 2015 by Gangadhara Ganapati in relation to the Offer for Sale
9. Letter dated May 14, 2015 by Dr. Nalini Kilara in relation to the Offer for Sale
10. Letter dated May 14, 2015 by Dr. G Kilara in relation to the Offer for Sale

11. Letter dated May 14, 2015 by Dr. K Harish jointly with Shubha Harish in relation to the Offer for Sale
12. Letter dated May 14, 2015 by Shubha Harish jointly with Dr. K Harish in relation to the Offer for Sale
13. Letter dated May 29, 2015 by Rajesh Ramiah in relation to the Offer for Sale
14. Letter dated May 29, 2015 by Ganga Ramaiah in relation to the Offer for Sale
15. Resolution dated April 10, 2015 passed by the board of directors of AOPL in relation to the Offer for Sale
16. Resolution dated July 8, 2015 passed by the directors of Hasham Premji Private Limited, the trustee of PIOF in relation to the Offer for Sale
17. Resolution dated July 16, 2015 passed by the directors of V-Sciences in relation to the Offer for Sale
18. Resolution dated June 9, 2015 passed by the board of directors of IL&FS Trust Company Limited, the trustee of MPEF in relation to the Offer for Sale
19. Resolution dated June 9, 2015 passed by Shachindra Nath, sole trustee of MAT in relation to the Offer for Sale
20. The examination reports of the statutory auditor, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus
21. The Statement of Tax Benefits dated July 11, 2015 from the Statutory Auditors
22. Consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Indian Legal Counsel to V-Sciences, Registrar to the Offer, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities
23. Due Diligence Certificate dated July 24, 2015 addressed to SEBI from the BRLMs
24. Amended Common Shareholders' Agreement dated May 16, 2015 entered into amongst our Company, Dr. BS Ajai Kumar, PIOF, V-Sciences, MAT and MPEF
25. Share Subscription Agreement dated February 3, 2010 entered into amongst MPEF, MAT, Dr. BS Ajai Kumar and our Company
26. Share Subscription Agreement dated March 1, 2013 entered into amongst V-Sciences, PIOF, MPEF, MAT, Dr. BS Ajai Kumar and our Company
27. Share Purchase and Shareholders' Agreement dated July 19, 2007 entered into by and amongst our Company, HCG Medi-Surge, Dr. Tejus Naik, Dr. Jagdish Kothari, Dr. Kaustubh Patel, Dr. Sanjeev Mehta, Dr. Nagesh Bhandari and other shareholders of HCG Medi-Surge
28. Shareholders' Agreement dated March 28, 2012 entered into by and amongst our Company, HCG Medi-Surge and AOPL
29. Shareholders' Agreement dated March 22, 2013 entered into amongst our Company, BACC Healthcare and Dr. Kamini Rao;
30. Shareholders' Agreement dated July 21, 2015 entered into by and amongst our Company, HCG Mauritius, HCG Africa and CDC Group PLC.
31. Limited Liability Partnership Agreement dated December 24, 2014 entered into between our Company and Dr. Rajiv Gopinath Bhatt

32. Limited Liability Partnership Agreement dated April 18, 2013 entered into between our Company and Apex Criticare LLP
33. Limited Liability Partnership Agreement dated September 5, 2014 entered into between our Company and Nagpur Cancer Hospital and Research Institute Private Limited
34. Limited Liability Partnership Agreement dated September 23, 2009 entered into between our Company and Diwan Chand Medical Services Private Limited as amended by Amendment Agreement dated July 5, 2013
35. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively
36. Tripartite agreement dated June 27, 2015 between our Company, NSDL and the Registrar to the Offer
37. Tripartite agreement dated June 4, 2015 between our Company, CDSL and the Registrar to the Issue
38. Deed of Personal Guarantee dated February 28, 2012 between Dr. BS Ajai Kumar and Axis Bank Limited
39. SEBI final observation letter dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Dr. BS Ajai Kumar
(Chairman and Chief Executive Officer)

Gangadhara Ganapati
(Non-Executive Director)

Prakash Parthasarathy
(Non-Executive Director)

Rajesh Singhal
(Non-Executive, Nominee Director)

Dr. Jennifer Gek Choo Lee
(Non-Executive, Nominee Director)

Sudhakar Rao
(Non-Executive, Independent Director)

Shanker Annaswamy
(Non-Executive, Independent Director)

Sampath Thattai Ramesh
(Non-Executive, Independent Director)

Suresh Chandra Senapaty
(Non-Executive, Independent Director)

Bhushani Kumar
(Non-Executive, Independent Director)

SIGNED BY CHIEF FINANCIAL OFFICER

Krishnan Subramanian

Place: Bengaluru
Date: July 24, 2015

DECLARATION

We, Milestone Private Equity Fund, hereby certify that all statements and undertakings made by us in this Draft Red Herring Prospectus about or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY MILESTONE PRIVATE EQUITY FUND

Place: Bengaluru

Date: July 24, 2015

DECLARATION

We, Milestone Army Trust, hereby certify that all statements and undertakings made by us in this Draft Red Herring Prospectus about or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY MILESTONE ARMY TRUST

Place: Bengaluru

Date: July 24, 2015

DECLARATION

We, PI Opportunities Fund I, hereby certify that all statements and undertakings made by us in this Draft Red Herring Prospectus about or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY PI OPPORTUNITIES FUND I

Place: Bengaluru

Date: July 24, 2015

DECLARATION

We, V-Sciences Investments Pte Ltd, hereby certify that all statements and undertakings made by us in this Draft Red Herring Prospectus about or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY V-SCIENCES INVESTMENTS PTE LTD

Place: Bengaluru

Date: July 24, 2015

DECLARATION

We, the undersigned Selling Shareholders, hereby certify that all statements and undertakings made by us in this Draft Red Herring Prospectus about us or in relation to ourselves and the Equity Shares being sold by us in the Offer for Sale are true and correct, provided however, that we assume no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY

Dr. BS Ajai Kumar

Gangadhara Ganapati

Sunu Manuel

(authorized signatory on behalf of Aastha Oncology Private Limited, Dr. G Kilara, Dr. Nalini Kilara, Dr. K Harish jointly with Shubha Harish, Shubha Harish jointly with Dr. K Harish, Ganga Ramaiah, and Rajesh Ramaiah)

Place: Bengaluru

Date: July 24, 2015