(Currency: Indian Rupees in lakhs)

42 Earnings per share

	Particulars	As at 31 March 2020	As at 31 March 2019
(a)	**Reconciliation of earnings used in calculating earnings per share**		
	- Loss from continuing operations attributable to equity holders of the group:	(11,165.18)	(9,027.74)
	Add: Interest on Compulsorily Convertible Debentures	-	-
	Profit used in calculating Basic Earnings per share	**(11,165.18)**	**(9,027.74)**
	Add: Adjustments during the year	-	-
	Profit used in calculating Diluted Earnings per share	**(11,165.18)**	**(9,027.74)**
	- Loss from discontinued operations attributable to equity holders of the group:	-	(827.94)
	Add: Adjustments during the year	-	-
	Profit used in calculating Basic / Diluted Earnings per share	**-**	**(827.94)**
(b)	Weighted average number of shares	**61,835.00**	**59,950.00**
	Add: Potential equity shares on conversion of compulsory convertible preference shares	2,709.00	90.00
	Weighted average number of shares used in Basic earnings per share	**64,544.00**	**60,040.00**
	Add: Stock option granted under employee stock option plan (ESOP)	2,269.00	1,633.00
	Weighted average number of shares used in Diluted earnings per share	**66,813.00**	**61,673.00**
	Earnings per equity share for profit from continuing operations		
	Basic earnings per share	(17,298.56)	(15,036.20)
	Anti-dilutive earnings per share	(17,298.56)	(15,036.20)
	Earnings per equity share for profit from continuing and discontinued operations		
	Basic earnings per share	(17,298.56)	(15,036.20)
	Anti-dilutive earnings per share	(17,298.56)	(15,036.20)

* The diluted earning per share has been computed by dividing the net profit/(loss) after tax availiable to equity shareholders by the weighted average number of equity shares after giving dilutive effect of the stock option granted under ESOP. Any effect that is anti-dilutive has been ignored.

(Currency: Indian Rupees in lakhs)

43 Employee benefits

Defined contribution plan

(a) Contribution to Provident fund (defined contribution):

The group makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs 296.54 lakhs (31 March 2019 : 150.07 lakhs)

(b) Contribution to ESIC (defined contribution):

The group is contributing towards Employees State Insurance Contribution Scheme in pursuance of ESI Act, 1948 (as amended). The expense charged to the statement of profit and loss is Rs 80.14 lakhs(31 March 2019 : 80.24 lakhs)

(C) Compensated leave absences:

The leave encashment benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation. The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

Defined benefit obligation

The Group has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of services as per Group policy. The scheme is funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy and accordingly, plan assets are represented by the Gratuity fund balance maintained by LIC (100% insurer measured fund). Provision for funded Gratuity, payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year end. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in Other Comprehensive Income.

Particulars	**Gratuity**	
	(Funded)	
	31 Mar 2020	**31 Mar 2019**
Reconciliation of liability recognised in the Balance sheet:		
Present value of commitments	257.56	131.26
Fair value of plan assets	(220.21)	131.01
Net liability / (asset) in the balance sheet	**37.35**	**0.25**
Movement in net liability recognised in the Balance sheet:		
Net liability / (asset) as at the beginning of the year	1.59	(10.07)
Net amount recognised as expenses in the Statement of Profit and Loss	72.83	70.99
Net amount recognised as expenses in Other Comprehensive Income	5.31	(9.51)
Benefits paid	10.32	(6.20)
Acquisition adjustment	8.36	27.09
Contribution during the year	(61.06)	(72.05)
Net liability as at the end of the year	**37.35**	**0.25**
Expenses recognised in the Statement of Profit and Loss		
Current service cost	99.17	68.95
Past Service Cost	-	0.70
Interest Cost	4.64	4.25
Expected return on plan assets	(4.63)	(2.91)
Expenses charged to the Statement of Profit and Loss	**99.18**	**70.99**
Expected return on plan assets	-	2.81
Remeasurements- Actuarial (gains) / losses	0.64	(12.32)
Expenses charged to Other Comprehensive Income	**3.81**	**(9.51)**

Particulars	**Gratuity**	
	(Funded)	
	31 Mar 2020	**31 Mar 2019**
Reconciliation of defined-benefit commitments:		
Obligations as at the beginning of the year	128.90	47.46
Current service cost	99.17	68.95
Past Service Cost	-	1.22
Interest cost	9.43	5.58
Benefits paid	-	(6.20)
Remeasurements- Actuarial (gains) / losses	20.79	(12.85)
Increase/decrease due to effect of any business combination, divestures or transfers	(0.73)	27.09
Obligations as at the end of the year	**257.57**	**131.26**
Reconciliation of Plan assets:		
Plan assets as at the beginning of the year	128.73	57.53
Investment Income	9.42	1.35
Expected return on plan assets	83.22	2.28
Contributions during the year	1.08	72.07
Paid benefits	(2.24)	-
Remeasurements- Actuarial (gains) / losses	-	(2.21)
Increase/decrease due to effect of any business combination, divestures or transfers	-	-
Plan assets as at the end of the year	**220.21**	**131.01**
Plan assets consists of the following:		
Funds managed by Insurer	100%	100%

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Particulars	31 Mar 2020	31 Mar 2019
Actuarial (gain)/loss on arising from change in demographic assumption	0.07	(42.23)
Actuarial (gain)/loss on arising from change in financial assumption	17.47	35.13
Actuarial (gain)/loss on arising from experience adjustment	2.51	(5.74)
Return on Plan Assets, excluding amount recognised in net interest	3.48	2.82
Total actuarial (gain)/loss	**23.53**	**(10.03)**

The actuarial valuation in respect of commitments and expenses relating to unfunded Gratuity are based on the following assumptions which if changed, would affect

(a) Economic Assumptions

	31 Mar 2020	31 Mar 2019
Discount rate	15%- 6.55%	7.30%
Expected rate of salary increase	10.00%	10.00%

(b) Demographic Assumptions

	31 Mar 2020		31 Mar 2019	
Retirement Age	58 years		58 years	
Mortality Table	Indian Assured Lives Mortality (IALM)		Indian Assured Lives Mortality	
Mortality Rate	100%		100%	
Attrition / Withdrawal Rates: (per annum)	Based on Ages		Based on Ages	
	Upto 35 years	15.00%	Upto 35 years	15.00%
	Above 35 years	10.00%	Above 35 years	10.00%

(c) Sensitivity analysis of defined benefit obligation

	Gratuity	
	31 Mar 2020	31 Mar 2019
a) Impact of the change in discount rate		
i) Impact due to increase of 1% (31 March 2018: 1%; 01 April 2017 : 1%)	(136.54)	(117.48)
ii) Impact due to decrease of 1% (31 March 2018: 1%; 01 April 2017 : 1%)	164.78	142.17
b) Impact of the change in salary increase		
i) Impact due to increase of 1% (31 March 2018: 1%; 01 April 2017 : 1%)	164.62	133.43
ii) Impact due to decrease of 1% (31 March 2018: 1%; 01 April 2017 : 1%)	(137.07)	(110.95)
c) Impact of the change in attrition rate		
i) Impact due to increase of 50% (31 March 2018: 50%; 01 April 2017 : 50%)	(130.00)	(106.47)
ii) Impact due to decrease of 50% (31 March 2018: 50%; 01 April 2017 : 50%)	201.35	164.95
d) Impact of the change in mortality rate		
i) Impact due to increase of 50% (31 March 2018: 10%; 01 April 2017 : 10%)	(143.02)	(128.86)
ii) Impact due to decrease of 50% (31 March 2018: 10%; 01 April 2017 : 10%)	143.13	128.93

Sensitivities due to mortality & withdrawls are not material & hence impact of change not calculated.
Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(d) Maturity profile of defined benefit obligation

	Gratuity	
	31 Mar 2020	31 Mar 2019
1 year	9.38	3.65
2 to 5 years	91.86	46.20
6 to 10 years	126.54	70.15
More than 10 years	331.50	187.55

(Currency: Indian Rupees in lakhs)

44 Employee Stock Option Plans ('ESOP')

Ascent Health and Wellness Solutions Employee Stock Option Scheme - 2017 ('ESOS 2017') and Ascent Employee Stock Option Plan 2019 ('ESOS 2019')
The Ascent ESOS 2017 ("the Plan") was approved by the Board of Directors on 19 April 2017 and by shareholders on 24 April 2017. The plan entitles key management personnel and senior employees of Ascent Health and Welllness Solutions Private Limited and its subsidiaries to purchase shares in the Group at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of equity shares or as provided under ESOS 2017. As per the Plan, each option granted to an Employee, gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at the Exercise Price and the date of grant is 1 May 2017, 01 April 2018, 30 April 2018 , 01 November 2018, 01 July 2019 and 01 September 2019.

The Ascent ESOP Plan 2019 (“the Plan”) was approved by the Board of Directors of the Company on 31 March 2019 and by shareholders of theCompany on 01 April 2019. The Plan entitles Eligible Employees of Ascent Health and Wellness Solutions Private Limited and its subsidiaries to exercise their right to purchase or subscribe to equity shares of the Company at the stipulated Exercise Price, subject to compliance with vesting conditions. All the Exercised Options shall be settled by physical delivery of equity shares or as provided under the Plan. As per the Plan, each option granted to an Employee, gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at the Exercise Price and the date of grant is 01 January 2020.

The terms and conditions related to the grant of share options are as follow :

	ESOS 2017					
Date of grant	**01-Jul-2019**	**01-Sep-2019**	**01-Nov-2018**	**30-Apr-18**	**01-Apr-18**	**01-May-17**
Number of options granted to employees of Ascent Health and Wellness Solutions Private Limited	103.00	35	1,404.00	12.00	291.00	1,286.00
Number of options lapsed from employees of Ascent Health and Wellness Solutions Private Limited	-	-	(82.00)	-	(48.00)	(44.00)
Number of options granted to employees of Dial Health Drug Supplies Private Limited (subsidiary)	-	-	41.00	-	-	88.00
Total Number of options granted	**103.00**	**35.00**	**1,363.00**	**12.00**	**243.00**	**1,330.00**
Revised Vesting period for ESOP	66% - 01 April 2021 34% - 01 April 2022	66% - 01 April 2021 34% - 01 April 2022	100% - 01 April 2020	50% - 30 April 2019 50% - 01 April 2020	50% - 01 April 2019 50% - 01 April 2020	25% - 30 April 2018 37.5% - 01 April 2019 37.5% - 01 April 2020
Exercise price - per share (Rs.)	85,714					
Fair Value of Shares as on Grant Date	115,019	112,656	1,23,920	123,920	123,849	89,541

	ESOS 2019
Date of grant	01-Jan-20
Number of options granted to employees of Ascent Health and Wellness Solutions Private Limited	961.00
Number of options lapsed from employees of Ascent Health and Wellness Solutions Private Limited	-
Total Number of options granted	**961.00**
Original Vesting period for ESOP	25% - 01 Jan 2021 25% - 01 Jan 2022 25% - 01 Jan 2023 25% - 01 Jan 2024
Exercise price - per share (Rs.)	260,607
Fair Value of Shares as on Grant Date	241,012

The Exercise Period shall commence at such period as specified by the Employee Stock Compensation Committee, being the period during the occurrence of Liquidity Event or such other date as communicated by Employee Stock Compensation Committee or such date as required otherwise by law.

Reconciliation of outstanding share option	**31 March 20**		**31 March 19**	
Particulars	**No. of Options**	**Weighted Average Exercise Price**	**No. of Options**	**Weighted Average Exercise Price**
ESOS 2019				
Outstanding at 1 April	-	-	-	-
Granted during the year	961.00	260,607	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	**961**	**260,607**	**-**	**-**
Exercisable at 31 March	**-**	**260,607**	-	-
ESOS 2017				
Outstanding at 1 April	3,086	85,714	1,374	85,714
Granted during the year	138.00	85,714	1,748	85,714
Forfeited during the year	(138.00)	85,714	(36.00)	85,714
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	**3,086**	**85,714**	**3,086**	**85,714**
Exercisable at 31 March	**958**	**85,714**	384	**85,714**

The options outstanding at 31 March have an exercise price and a weighted average contractual life as given below:

	31-Mar-2020			**31-Mar-2019**		
	No. of outstanding share options	**Exercise prcie**	**Weighted Average remainning life**	**No. of outstanding share options**	**Exercise prcie**	**Weighted Average remainning life**
ESOS 2019	961	260,607	3.75 Years	-	-	-
ESOS 2017	3,086	85,714	0.06 Years	3086	85,714	0.68 Years

Exercise period will be decided by Employee Stock Compensation Committee hence it is not consider while calculating weighted average remaining life.

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44 Employee Stock Option Plans ('ESOP') *(Continued)*

The Black Scholes valuation model has been used for computing the weighted average fair value of the stock granted considering the following inputs:

The model inputs for options granted on 01st Jan 2020:

Variables	Vest 1 01 Jan 2021	Vest 2 01 Jan 2022	Vest 3 01 Jan 2023	Vest 4 01 Jan 2024
Weighted average share price (Rs.)	241,012	241,012	241,012	241,012
Volatility	34.17%	34.23%	34.17%	33.65%
Risk free rate (based on government bonds)	6.31%	6.31%	6.41%	6.41%
Exercise price (Rs.)	260,607	260,607	260,607	260,607
Time to maturity (in years)	1	2	3	4
Expected Dividend yield	-	-	-	-
Fair value per stock option	59,150	66,855	74,158	79,975
Weighted average fair value per stock option granted during the year (Rs.)	70,034			

The model inputs for options granted on 01 May 2017:

Variables	Vest 1 30 April 2018	Vest 2 30 April 2019	Vest 3 30 April 2020
Weighted average share price (Rs.)	89,541	89,541	89,541
Volatility	5.78%	5.78%	5.78%
Risk free rate (based on government bonds)	6.45%	6.62%	6.77%
Exercise price (Rs.)	85,714	85,714	85,714
Time to maturity (in years)	2	3	4
Expected Dividend yield	-	-	-
Fair value per stock option	14,242	19,286	24,170
Weighted average fair value per stock option granted during the year (Rs.)	19,233		

The model inputs for options granted on 01st April 2018:

Variables	Vest 1 01 April 2019	Vest 2 01 April 2020
Weighted average share price (Rs.)	123,849	**123,849**
Volatility	7.72%	**7.72%**
Risk free rate (based on government bonds)	7.25%	**7.30%**
Exercise price (Rs.)	85,714	**85,714**
Time to maturity (in years)	2	**3**
Expected Dividend yield	-	**-**
Fair value per stock option	49,704	**54,993**
Weighted average fair value per stock option granted during the year (Rs.)	52,349	

The model inputs for options granted on 30th April 2018:

Variables	Vest 1 30 April 2019	Vest 2 01 April 2020
Weighted average share price (Rs.)	123,920	**123,920**
Volatility	7.89%	**7.89%**
Risk free rate (based on government bonds)	6.45%	**7.78%**
Exercise price (Rs.)	85,714	**85,714**
Time to maturity (in years)	2	**3**
Expected Dividend yield	-	**-**
Fair value per stock option	48,580	**56,049**
Weighted average fair value per stock option granted during the year (Rs.)	52,314	

The model inputs for options granted on 1 November 2018:

Variables	Vest 1 01 April 2020
Weighted average share price (Rs.)	1,23,920
Volatility	7.35%
Risk free rate (based on government bonds)	7.58%
Exercise price (Rs.)	85,714
Time to maturity (in years)	2
Expected Dividend yield	-
Fair value per stock option	50,263
Weighted average fair value of per stock option granted during the year (Rs.)	50,263

The model inputs for options granted on 01 July 2019:

Variables	Vest 1 01 April 2021	Vest 2 01 April 2022
Weighted average share price (Rs.)	182,018	182,018
Volatility	36.14%	36.14%
Risk free rate (based on government bonds)	6.59%	6.59%
Exercise price (Rs.)	85,714	85,714
Time to maturity (in years)	2	3
Expected Dividend yield	-	-
Fair value per stock option	114,313	116,391
Weighted average fair value of per stock option granted during the year (Rs.)	114,313	116,391

The model inputs for options granted on 01 September 2019:

Variables	Vest 1 01 April 2021	Vest 2 01 April 2022
Weighted average share price (Rs.)	182,018	182,018
Volatility	36.14%	36.14%
Risk free rate (based on government bonds)	6.59%	6.59%
Exercise price (Rs.)	85,714	85,714
Time to maturity (in years)	2	3
Expected Dividend yield	-	-
Fair value per stock option	111,846	114,229
Weighted average fair value of per stock option granted during the year (Rs.)	111,846	114,229

(Currency: Indian Rupees in lakhs)

44 Employee Stock Option Plans ('ESOP') *(Continued)*

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.
Share Price: Share price is the price provided by the managements based upon independent valuer.
Exercise Price: Exercise price is price as determined by The Employee stock Compensation Committee.
Expected Volatility: The historical volatility of the similer stock has been considered for the fair value of the options
Expected Option Life: Exprected life of option is the period for which the Group expected the option to be live. The minimum life of a stock option is the minimum period before before which the options cannot be exercised and the maximum life is the period after which option cannot be exercised

Expected Dividneds: Expected dividend yield of the options is based upon recent divindned activity.
Risk free interest rate: The risk free rate on the date of grant considered for the calculation is the interest rate applicable for the maturity equal to the expected life of the option based upon the zero copoun yield curve of government securities.

The assumptions reflect management's best estimates but these assumptions invlove inherent market uncertainties based on market conditions generally outside of the Group's control. As a result, if other assumptions had been used in the current period, stock based compensation expense could have been materiality impacted. Further, if management uses different assumptions in future periods. stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each seperately vesting portion of the award.

Share-based payment expenses	**31 March 2020**	**31 March 2019**
Total expense recognised in 'employee benefit expense'	678.50	435.11
Investment in Dial Health Drug Supplies Private Limited	-	22.02

(Currency: Indian Rupees in lakhs)

45 Related parties

I List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Holding Company	
Evermed Holdings Pte Limited (Refer note 1.2(a))	Holding Company
Associate	
91 Streets Media Technologies Private Limited	Associate
Subsidiaries of Associate	
Thea Technologies Private Limited	Subsidiary of Associate
Swifto Services Private Limited	Subsidiary of Associate
Key Managerial Personnel	
Siddharth Shah	Key Managerial Personnel
Harsh Parekh	Key Managerial Personnel
Hardik Dedhia	Key Managerial Personnel
Milind Pattarkine	Key Managerial Personnel
Drashti Shah	Key Managerial Personnel
Entities controlled by KMP	
Shree Simba Chemist LLP	Entities controlled by KMP
API Holdings Private Limited	Entities controlled by KMP
Aycon Graph Connect Private Limited	Entities controlled by KMP
Aahaan Commercials Private Limited (Formerly known as Dial Health Hospital Supplies Private Limited)	Entities controlled by KMP
Lokprakash Vidhya Private Limited	Entities controlled by KMP

II. Transactions with related parties and outsanding year end balances

S.No.	Particular	Relation	For the year ended 31 March 2020	For the year ended 31 March 2019
(A)	**Transaction with related parties**			
1	**Equity Shares issued**			
	Evermed Holdings Pte Limited	Holding Company	-	11,259.10
	Thea Technologies Private Limited	Subsidiary of Associate	118.75	-
2	**Purchase of Investment in Preference Shares**			
	91 Streets Media Technologies Private Limited	Associate	-	4,800.20
3	**Sale of goods**			
	Thea Technologies Private Limited	Subsidiary of Associate	11,297.72	2,767.90
4	**Freight Expenses**			
	Swifto Services Private Limited	Subsidiary of Associate	438.74	368.11
5	**Advance from customers**			
	Thea Technologies Private Limited	Subsidiary of Associate	2,600.00	-
6	**Interest Expenses**			
	Thea Technologies Private Limited	Subsidiary of Associate	206.19	267.02
	91 Streets Media Private Limited	Associate	523.83	-
	Siddharth Shah	Key Managerial Personnel	1.60	-
7	**Interest Income on Loan**			
	Aycon Graph Connect Private Limited	Entities controlled by KMP	0.60	-
	API Holdings Private Limited	Entities controlled by KMP	11.95	-
8	**Loan Given**			
	Thea Technologies Private Limited	Subsidiary of Associate	-	1,500.00
	API Holdings Private Limited	Entities controlled by KMP	1,069.01	-
	Aycon Graph Connect Private Limited	Entities controlled by KMP	56.68	-
9	**Loan Repaid**			
	Thea Technologies Private Limited	Subsidiary of Associate	6,840.00	5,730.00
	Siddhrth Shah	Key Managerial Personnel	65.00	-
10	**Loan Taken**			
	Thea Technologies Private Limited	Subsidiary of Associate	6,840.00	5,730.00
	Siddhrth Shah	Key Managerial Personnel	65.00	-
	91Streets Media Private Limited	Associate	14,932.01	-
11	**Reimbursement of Expenses**			
	Siddharth Shah	Key Managerial Personnel	20.41	14.34
	Harsh Parekh	Key Managerial Personnel	12.45	12.60
	Hardik Dedhia	Key Managerial Personnel	6.27	5.34
	Milind Pattarkine	Key Managerial Personnel	14.30	9.52
	Drashti Shah	Key Managerial Personnel	1.92	1.16
12	**Compensation paid to Key Managerial Personnel (KMP)**			
	Siddharth Shah	Key Managerial Personnel	59.00	915.36
	Harsh Parekh	Key Managerial Personnel	59.00	55.30
	Hardik Dedhia	Key Managerial Personnel	59.00	55.30
	Milind Pattarkine	Key Managerial Personnel	49.11	47.48
	Drashti Shah	Key Managerial Personnel	30.70	30.70
	Total		**45,379.24**	**33,569.43**

S.No.	Particular	Relation	As at 31 March 2020	As at 31 March 2019
(B)	**Outstanding Balances - Year End**			
1	**Trade payables**			
	Thea Technologies Private Limited	Associate	124.69	-
	Swifto Services Private Limited	Associate	3.48	-
2	**Loan and Advances given**			
	API Holdings Private Limited	Entities controlled by KMP	1,032.01	-
3	**Other Payables**			
	Swifto Services Private Limited	Subsidiary of Associate	-	7.06
4	**Trade Receivables**			
	Thea Technologies Private Limited	Subsidiary of Associate	172.30	261.66
5	**Receivable in respect of reimbursement of expenses**			
	API Holdings Private Limited	Entities controlled by KMP	1.35	-
6	**Interest accrued but not due**			
	Thea Technologies Private Limited	Subsidiary of Associate	-	33.20
7	**Interest Payable**			
	Thea Technologies Private Limited	Subsidiary of Associate	-	201.65
8	**Other Payable**			
	Swifto Services Private Limited	Subsidiary of fellow Associate	27.07	16.99
9	**Borrowing**			
	91Street Media Private Limited	Associate	14,932.01	-
10	**Advance from customer**			
	Thea Technologies Private Limited	Subsidiary of Associate	2,427.47	-
11	**Retention bonus to employees**			
	Siddharth Shah	Key Managerial Personnel	11.00	22.00
	Harsh Parekh	Key Managerial Personnel	11.00	22.00
	Hardik Dedhia	Key Managerial Personnel	11.00	22.00
12	**Employee Benefit Payable**			
	Siddharth Shah	Key Managerial Personnel	-	12.23
	Harsh Parekh	Key Managerial Personnel	-	10.02
	Hardik Dedhia	Key Managerial Personnel	-	8.72
	Milind Pattarkine	Key Managerial Personnel	-	2.44
	Drashti Shah	Key Managerial Personnel	-	3.44

(Currency: Indian Rupees in lakhs)

46 Lease disclosure as per Ind AS 116

a. The Compnay has taken on lease various office premises and warehouse. The leases typically run for the period between 12 month to 60 months and are renewable by the mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

Carrying amounts of right-of-use assets recognised and the movements during the period:
Refer Note 4

b. Carrying amounts of lease liabilities and the movements during the period:

Particulars	Amount
Balance at April 1, 2019	2,571.63
Addition	1,401.50
Accredition of interest	343.58
Payments	(852.08)
Adjustments for Disposals	(15.21)
Cancellation during the year	(50.83)
Balance at 31 March 2020	3,398.59
Current	691.50
Non-Current	2,707.09

The maturity analysis of lease liabilities is disclosed below :

Maturity analysis of contractual undiscounted cashflow	Amount
Less than 1 year	1,009.84
1 to 2 years	814.49
2 to 3 years	664.64
3 to 4 years	548.16
4 to 5 years	418.97
More then 5 years	1,522.43
Total undiscounted lease liabilities	4,978.53

c. Total Cash outflow
The Company has a total cash outflow (including short term and low value assets) for leases of Rs 932.27 Lakhs in 2019-20 (2018-19 - Rs. 866.51 Lakhs).

d. The difference between lease liabilities as at April 1, 2019 and operating lease commitments as of March 31, 2019 is due to discounting of long term lease liabilities and lease payments relating to renewal periods not included in operating lease commitments.

e. Impact on adoption of Ind AS 116

Particulars	Amount
Decrease in rent expenses	(852.08)
Increase in depreciation	796.36
Increase in interest expenses	343.57
Gain on sales of lease assets	(2.28)
Decrease in profit before tax	**285.57**

(Currency: Indian Rupees in lakhs)

47 Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) of the Group to make decisions for performance assessment and resource allocation.

The Group is engaged in Distribution of Pharmaceutical Products in India which is the primary business segment. The Group has only one reportable segement, which is distribution of Pharmaceutical products. Secondary disclosures for geographical segement revenue from external customers by location of customers are not given as 100% of the revenue from operations are from India. Accordingly, these financial statements are reflective of the information required by Indian Accounting Standard 108 - Operating Segments.

48 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani another Group Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Further pending directions from the EPFO, the impact for the past period, if any, is not reliably ascertainable and consequently no effect has been given in the accounts.

49 Exceptional items

Impairment of Intangibles under Development

The Group reviewed intangibles under development and identified that these intangibles are not viable for future due to expected cost of development of intangible is much higher then benefit accrue to the Group. Hence, Group has impaired entire intangible under development of Rs. 1,070.44 Lakhs and correspondingly reversed GST credit of Rs. 186.76 Lakhs in the books of account. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss.

50 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic and several restrictions have been imposed by the Governments across the globe on travel, goods movement and transportation considering public health and safety measures. Considering the Group's products are classified as an 'essential commodity', management believes that the impact of the pandemic may not be significant. The Group has considered internal and external information while assessing recoverability of its assets disclosed in the financial statements upto the date of approval of these financial statements by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of these assets. Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Group has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions. [Also refer note 1.2 (a)]

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

For and on behalf of the Board of Directors of API Holdings Limited (formerly known as API Holdings Private Limited)

(On behalf of Ascent Health and Wellness Solutions Private Limited which is amalgamated with API Holdings Limited)

CIN No: U60100MH2019PLC323444

Rajesh Mehra
Partner
Membership No. 103145

Mumbai
Date: 31 October 2021

Dharmil Sheth
Director
DIN: 06999772

Mumbai
Date: 31 October 2021

Harsh Parekh
Director
DIN: 06661731

Mumbai
Date: 31 October 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Medlife International Private Limited

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the accompanying Consolidated financial statements of Medlife International Private Limited (hereinafter referred to as "the Company"), its subsidiaries (the Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, including other comprehensive income/(loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2021, their Consolidated loss including other comprehensive income/(loss), their Consolidated cash flows and the Consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated financial statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated financial statements

The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income/(loss), Consolidated cash flows and Consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose standalone financial statements include total assets of Rs. 425.72 million as at March 31, 2021, and total revenues of Rs 201.90 million and net cash inflows of Rs 199.94 million (without giving effect to elimination of inter-company transactions) for the year ended on that date. These standalone financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statements;

(d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ;

(e) On the basis of the written representations received from the directors of the Company and one subsidiary company as on March 31, 2021, and taken on record by the Board of Directors of the Company and such subsidiary company and the report of the statutory auditor who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Company and subsidiary companies incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Company and its subsidiary Companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V relating to managerial remuneration of the Act are not applicable to the Company and its subsidiaries incorporated in India for the year ended March 31, 2021 and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The Consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group, in its Consolidated financial statements – Refer Note 41 to the Consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries, incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803

Unique Document Identification Number (UDIN): 21213803AAAACZ7474

Place of Signature: Bengaluru
Date: July 22,2021

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated financial statements of Medlife International Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We were engaged to audit the internal financial controls with reference to Consolidated financial statements of Medlife International Private Limited (“the Company”) and its Subsidiaries, which are companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its Subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these Consolidated financial statements.

Meaning of Internal Financial Controls with reference to these Consolidated financial statements

A Company's internal financial control with reference to these Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to these Consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Company, insofar as it relates to the Subsidiaries, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such Subsidiary companies incorporated in India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803

Unique Document Identification Number (UDIN): 21213803AAAACZ7474

Place of Signature: Bengaluru
Date: July 22, 2021

Medlife International Private Limited
Consolidated Balance Sheet as at 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 201
Assets				
Non- current assets				
r r d				
d				
r				
r rr				
r rr				
rr d				
Total non-current assets		**1,1 .**	**2, .**	**1, 0 .**
Current assets				
r				
r d r				
d				
r d				
r				
r rr				
Total current assets		**2,2 0.**	**4 . 0**	**1, 23.**
Total assets		**3,42 . 4**	**3, 13.4**	**3,031. 1**
Equity and liabilities				
Equity				
r				
r r r				
r				
Total equity		**(, 2 .1)**	**(3,0 . 0)**	**1,404.4**
Liabilities				
Non-current liabilities				
rr				
r				
r r				
Total non-current liabilities		**1,44 . 4**	**2,4 .43**	**3 0.33**

Medlife International Private Limited
Consolidated Balance Sheet as at 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 201
Current liabilities				
Total current liabilities		**, 0 .1**	**4,431.**	**1,2 . 3**
Total liabilities		**, . 2**	**, 0 .0**	**1, 2 .0**
Total equity and liabilities		**3,42 . 4**	**3, 13.4**	**3,031. 1**

Summary of significant accounting policies

For S.R. Batliboi & Associates LLP

For and on behalf of the Board of Directors of
Medlife International Private Limited

per Rajeev Kumar

Prashant Singh

Tushar Kumar

Ajin ya R ain

Medlife International Private Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in Rs millions., unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
r r			
r			
Total income (i)		**3, 2 .1**	**4, 2.**
Expenses			
r r d d d			
r r r r d d d			
r d r			
r d			
r r r d r			
r			
Total expenses (ii)		**11,2 .31**	**10, 11.23**
(Loss) before tax (iii) (i)-(ii)		**(,4 .1)**	**(,11 . 4)**
Tax expenses			
rr			
rr d			
Total tax expenses			
(Loss) for the year		**(,4 .1)**	**(,11 . 4)**
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
r d d			
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		**(24.0)**	**(.2)**
Total comprehensive (loss) for the year		**(,4 2.23)**	**(,124. 0)**
(Loss) for the year			
r			
d r			
Other comprehensive (loss) for the year			
r			
d r			
Total comprehensive (loss) for the year			
r			
d r			
(Loss) per equity share nominal value of shares Rs.100 (31 March, 2020 Rs 100)			
d d			
Summary of significant accounting policies	**3**		

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r rr r d

For S.R. Batliboi & Associates LLP
r r d
r r r

per Rajeev Kumar
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For and on behalf of the Board of Directors of
Medlife International Private Limited

Prashant Singh
M r r

Tushar Kumar
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Ajin ya R ain
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Medlife International Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities			
(Loss) before tax		(,4 .1)	(,11 . 4)
Adjustments to reconcile (Loss) before tax to net cash flows			
r r r d d r			
r			
r r r d			
r d			
r d r r r d			
r			
r r r			
r d			
r r d d r r			
r r r d r			
r r d			
r d d			
r r			
r r d r d d			
r d r			
d d r			
r r d			
Operating cash flow before wor ing capital changes		(3, . 2)	(4,44 .2)
M r			
r d r r			
r d r r d r			
r d r			
r d r			
r d r			
r d r r d			
r d r			
r d r r			
r d r r			
		(4,033. 3)	(3, 0.41)
d r d			
Net cash flows used in operating activities	(A)	(4,023.4)	(3, 11.)
Cash flows from investing activities			
r r r d d r			
r			
r d r r r d d			
d r r d			
d d			
d			
r d r rr			
r r d			
Net cash flows used in investing activities	(B)	(.13)	(1 .)
Cash flows from financing activities			
r d r rr			
r rr			
r d r r rr			
r r rr			
r r			
r r			
r d r r			
r d r r r r			
r d r r rr			
r			
r d r r d r r r			
r d			
Net cash flows from financing activities	(C)	, 2.1	3, 02.
r d r d			
d r			
Cash and cash equivalents at the end of the year		1, 2 .1	2 . 4

Medlife International Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Components of cash and cash equivalents		
d		
rr		
r r r		
Total cash and cash equivalents	**1, 2 .1**	**2 . 4**
Non- Cash financing and investing activities		
r r M r r r r d r r		-
r r r	-	
r r r r rr r r		-
r r r r		

Summary of significant accounting policies (Refer note 3)
r r r d d

r rr r d

For S.R. Batliboi & Associates LLP
r r d
r r r

per Rajeev Kumar
r r
M r r

For and on behalf of the Board of Directors of
Medlife International Private Limited

Prashant Singh
M r r

Tushar Kumar
r r

Ajin ya R ain
r r

r d

r d

Medlife International Private Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

a) Equity share capital (refer note 1)

	31 March 2021	31 March 2020	1 April 201
Opening Balance			
d d r r			
Closing balance	244.00	1 4.0	1 .

b) Instruments entirely in the nature of equity (refer note 1)

	31 March 2021	31 March 2020	1 April 201
Compulsorily Convertible Debentures			
Opening Balance			
d d r r			
Closing balance	12. 0	-	-

c) Other equity

	Attributable to the equity holders of the company			Total equity
	Reserves and Surplus			
	Securities premium (Note 1)	Retained earnings (Note 1)	Share options outstanding reserve (Note 1)	
As at 1 April 201	,3 .24	(,322.)	1 0.13	1,21 . 0
r r				
r r				
Total comprehensive income (loss)	-	(,124. 0)	-	(,124. 0)
r				
r d r r				
As at 31 March 2020	,14 . 3	(12,44 .4)	1,00 .	(3,2 .)
r r				
r r				
Total comprehensive income (loss)	-	(,4 2.23)	-	(,4 2.23)
r				
r d r r				
As at 31 March 2021	10, 4 .	(1 , 2 . 0)	2, .0	(,4 .)

Summary of significant accounting policies (Refer note 3)

r r r d d
r rr r d

For S.R. Batliboi & Associates LLP
r r d
r r r

per Rajeev Kumar
r r
M r r

For and on behalf of the Board of Directors of
Medlife International Private Limited

Prashant Singh
M r r

Tushar Kumar
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Ajin ya R ain
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1 Corporate Information

1.1 Funding of operations

1.2 Impact of Covid-1 Pandemic

2 Basis of preparation of Consolidated financial statements

a Basis of preparation

b Functional currency and presentation currency

c Use of estimates and judgements

d Current and non-current classification

e Basis of Consolidation

3 Significant accounting policies

a Revenue recognition

Sale of Pharmaceutical and related products

Revenue from rendering services

ariable consideration

Contract balances

Trade receivables

Contract assets

Contract liabilities

Interest income

Dividend income

b Business Combination

c Property, plant and equipment

Class of asset	Useful life as per Schedule II	Useful life as per management

d Intangible assets

oodwill

Other intangible assets

Amortisation methods and periods

Asset	Life in ears

e Impairment of non-financial assets

f Borrowing cost

g Leases

roup as lessee

Right-of-use assets

Lease liabilities

Short-term leases and leases of low-value assets

Lease and non-lease component

Covid-1 -Related Rent Concessions

Extension and termination option

h Financial Instruments

a)Financial assets

Initial recognition and measurement

Subsequent measurement

Debt instruments at amortised cost

Debt instrument at F TOCI

Debt instrument at F TPL

Equity investments

Embedded Derivatives

Instrument entirely in the nature of equity

Derecognition

Reclassification of financial assets

Impairment of financial assets

b) Financial Liabilities

Initial recognition and measurement

Subsequent measurement

Loans and borrowings

Derecognition

d) Offsetting of financial instruments

Optionally Convertible Redeemable Preference Shares

i Fair value measurement

j Cash and cash equivalents

Foreign currency translation

l Inventories

m Investments

n Employee Benefits

Short-term obligations

Other long-term employee benefit obligations

Post-employment obligations

ratuity obligations

Defined contribution plan

o Employee share based payments

Equity-settled transactions

p Taxation

Current income tax

Deferred tax

Minimum Alternate Tax (MAT)

q Provisions and Contingent Liabilities

Provisions

Contingent Liabilities

r Segment reporting

s Earnings (Loss) per share

t Critical estimates and judgements

(a) Defined benefit plans

(b) Deferred taxes

(c) Impairment of Financial and Non-Financial Assets

(d) Fair alue Measurement

u Indian Accounting Standards notified but not effective

M r M r r r r "M " r d d d d r
d d d r r r d r r d
r r r d d d rd r

Balance Sheet

d r d d d r d d d d rr r rr
r dd d r r d r r r d rr r d r d
rr r r r d
d r rd r r d r r
d r r d r d r r d r r r d d r d
d d r r r rr d r d d r d r
d

d r d r dd r r r r r d rr r r
d d r r d d d r r d r r r r M d r d
r d r r d

Statement of profit and loss

dd d r r r r d d d r r r rr d d r d dd
r r r d
d r d r r r d

(All amounts in Rs millions., unless otherwise stated)

4 Property, plant and equipment (refer note (a) below)

	Computer Equipment	Servers and networ s	Office equipment's	Furniture and fixtures	Leasehold improvements	ehicles	Total
ross carrying amount							
Deemed cost							
As at 01 April 201							
dd							
r d r r							
d r r							
As at 31 March 2020	**13 .**	**.**	**14 . 0**	**2 . 0**	**.2**	**1.**	**40 .**
dd							
As at 31 March 2021	**102.3**	**.**	**0.**	**1 .34**	**4 .21**	**1.**	**244.22**
Depreciation							
As at 01 April 201	**-**	**-**	**-**	**-**	**-**	**-**	**-**
r r r							
r d r r							
d r r							
As at 31 March 2020	**.43**	**.4**	**.0**	**.40**	**4 . 3**	**0.**	**20 .**
r r r							
							(122. 2)
As at 31 March 2021	**4.20**	**.3**	**41.1**	**.2**	**3 .02**	**0.**	**1 .**
Net boo value							
As at 01 April 201	**10 .**	**.**	**12 .0**	**1 .3**	**4 .23**	**1.4**	**30 .**
As at 31 March 2020	**4.23**	**3.20**	**. 3**	**20. 0**	**31.3**	**1.00**	**200.01**
As at 31 March 2021	**1 .1**	**1.30**	**2 . 2**	**.0**	**.1**	**0.**	**.23**

r r r r rr r r
r r r r r r d r r

Medlife International Private Limited

Notes to the consolidated financial statements for the year ended 31 March 2021

(All amounts in Rs millions., unless otherwise stated)

Intangible Assets (refer note (a) below)

	oodwill (refer note 1 below)	Other intangible assets			Total
		Software	E-commerce Software	Product development	
ross carrying amount					
Deemed cost					
As at 01 April 201					
dd					
r d r r					
d r r					
As at 31 March 2020	**1,0 3.01**	**121.1**	**212.**	**10.02**	**343.**
dd					
As at 31 March 2021	**1,0 3.01**	**11 .24**	**212.**	**. 4**	**33 .**
Amortisation					
r r r					
r d r r					
d r r					
As at 31 March 2020	**-**	**2 .**	**104.2**	**10.02**	**141.2**
r r r					
As at 31 March 2021	**-**	**3 .44**	**104.2**	**. 4**	**14 .**
Impairment Loss					
r					
r r r					
As at 31 March 2020	**32.4**	**2 .32**	**10 .2**	**-**	**133. 0**
r r r					
As at 31 March 2021	**1,0 3.01**	**.1**	**10 .2**	**-**	**1 .4**
Net boo value					
As at 01 April 201	**-**	**1 .41**	**212.**	**. 2**	**23 . 0**
As at 31 March 2020	**1,030.**	**.**	**-**	**-**	**.**
As at 31 March 2021	**-**	**3. 2**	**-**	**-**	**3. 2**

r r r r rr r r

r r r r r r d r r

Intangible Assets - continued

Note 1

d r M r r r r d d r d r r r r
d r d d d d r r r d r d r r rr
d r r r r r d r d d r r
r d d r d r r r d

M r rr d r r d r r rd d d r
r rd r r d r r r d

r r d d M r r r d r r r rr d d r r d
d r M r r r r d d r r d r r r r r r r
r d r r r d r M r r r r d r d r r
rd d r d M r r r r d d r r rd r

Right-of-use assets

	Building	Computer equipment	Office equipment	Furniture and fixtures	Leasehold improvements	Total
As at 01 April 201						
dd						
r d r r						
r						
As at 31 March 2020	**1.0**	**2.03**	**1 .24**	**0. 3**	**0. 0**	**0.**
r						
As at 31 March 2021	**3.**			**-**	**-**	**3.**

r r d M

(All amounts in Rs millions., unless otherwise stated)

Loans - refer note (a) below
Carried at amortised cost

	31 March 2021	31 March 2020	01 April 201
Non-current			
d r d d r d			
r d			
r d r d			
r d			
	10.33	**1. 0**	**30. 4**
r r d r d	-		
	10.33	**1. 2**	**30. 4**
Current			
d r d d r d			
r d			
r d r d			
r d			
	1 .2	**1 . 4**	**11.**
r r d r d			
	1 .12	**1 . 4**	**11.**

r rr r d r d r r r r r r r r r r r r r d r
r r r r d r r r r d r r r r

Other financial assets

	31 March 2021	31 March 2020	01 April 201
Amortised cost			
r d d r d d r d			
Non-current			
d d r r			
M r d r r			
	1.0	**1.00**	**3. 2**

M r d r r r r rdr r

Current			
r r			
d r			
r r			
	13. 1	**1. 3**	**0.1**

(All amounts in Rs millions., unless otherwise stated)

Assets for current tax (net)

	31 March 2021	31 March 2020	01 April 201
	4. 1	.0	2 .2

10 Other assets

	31 March 2021	31 March 2020	01 April 201
Non - current			
r r r r			
r r r d			
d			
d r r r r d			
r d			
	4 .	2 . 0	4 1.10
Current			
r r r r			
r d			
d			
d r r r d			
r d d r d d			
r d d r d d			
r r d r d d r r			
r r			
	100.40	23 .24	. 3

r r d d d d r r d M r d d r r d r r r d d d r r r r rd d r d r r r r d

r d d r d r r d r d r r rr d r r r d d r r r

11 Deferred tax assets (net)

d rr d r d r r r r r
r d d r d

12 Investments

Carried at fair value through statement of profit and loss

	Units in Millions 31 March 2021	Units in Millions 31 March 2020	Units in Millions 01 April 201	31 March 2021	31 March 2020	01 April 201
Current						
M M r d r r						
d d r r						
d r d r r						
d r M d						
r d M d						
r r d d r r						
r r r M d						
r d d d r						
r						
M M r M d r r						
				-	**0.**	**.4**

Note
r d
r r d
r r d r r d r d d r

13 Inventories

	31 March 2021	31 March 2020	01 April 201
alued at lower of cost and net realisable value			
r d d d d r M r d M r			
r r r			
r			
	14 .34	**4 .**	**.**

r r d r d r d

14 Trade receivables

Carried at amortised cost

	31 March 2021	31 March 2020	01 April 201
r d r			
Total trade receivables	**401.**	**4.4**	**4 .**
Brea -up for security details			
r d d r d d			
r d r r d r d			
	44 .	**122. 1**	**1.**
Impairment allowance (allowance for bad and doubtful debts)			
r d r r d r d			
Trade receivables net of impairment	**401.**	**4.4**	**4 .**

r d r rr r d r d r r r r r r r r r r d r rr r d
r r r r r d r r r d r r r r
r d r r r r d r r d
r r d r r r

1 Cash and cash equivalents

	31 March 2021	31 March 2020	01 April 201
rr			
d			
r r r			
	1, 2 .1	**2 . 4**	**4.0**

1 Ban balance other than cash and cash equivalents

	31 March 2021	31 March 2020	01 April 201
r			
r r r r			
	4 .4	**.12**	**2.02**

Medlife International Private Limited
Notes to the consolidated financial statements for the year ended 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

1 Share Capital

Equity share capital

i) Authorised share capital

	Numbers	Amount
Equity share capital of Rs 100 each		
As at 1 April 201		
r d r r		
As at 31 March 2020	**22, 0,000**	**22 .00**
r d r r		
As at 31 March 2021	**31,03,000**	**310.30**

ii) Issued, subscribed and fully paid up Equity share capital

	Numbers	Amount
Equity share capital of Rs 100 each, fully paid up		
As at 1 April 201		
d d r r		
As at 31 March 2020	**1 ,40, 31**	**1 4.0**
d d r r r r		
As at 31 March 2021	**24,40,0**	**244.00**

(iii) Terms rights attached to equity shares
r r r r r d r r d r r r d r d d d d d r d d d r d rd r r r r d r r M

d r d r r d r r r d r r r d r r r d r d r

(iv) *r r d d M r r d r r r r r*

(v) Shares held by holding company
r d r d d r

	31 March 2021 Rs. in millions	31 March 2020 Rs. in millions	1 April 201 Rs. in millions
API oldings Private Limited, holding company			
M r r			

(vi) Details of shareholders holding more than shares in the company -

	31 March 2021		31 March 2020		1 April 201	
	No of Shares	olding percentage	No of Shares	olding percentage	No of Shares	olding percentage
Equity shares of Rs 100 each fully paid						
d r d						
Mr r						
Mr r r						
M r d r						

(vii) Shares reserved for issue under options
rd r r r d r d r r d r r

(viii) *d r r r d r r d r d r d r r d r rd r r d M r d r r d r r Mr r r r d r r r r r d r r r d r M r r r r d d r*

1 Instrument entirely in the nature of equity

Issued, subscribed and fully paid Compulsorily Convertible Debentures

	Numbers	Amount Rs in millions
0.0001 Compulsorily Convertible Debentures of INR 10,000,000 each		
As at 1 April 201		
r d r r		
As at 31 March 2020	**-**	**-**
r d r r		
As at 31 March 2021		**12. 0**

(iii) Terms rights attached to Compulsorily Convertible Debentures

d d d rr d r r r r d r d r r d d r d r d r d r d r r

1 Other equity

	31 March 2021	31 March 2020	01 April 201
r r			
d r			
r d r r			
	(,4 .)	**(3,2 .)**	**1,21 . 0**

	31 March 2021	31 March 2020
a) Securities premium		
r		
dd r r		
Closing balance	**10, 4 .**	**,14 . 3**
b) Retained earnings		
r		
dd r r		
dd r r		
Closing balance	**(1 , 2 . 0)**	**(12,44 .4)**
c) Share options outstanding reserve		
r		
dd r r		
Closing balance	**2, .0**	**1,00 .**

<u>Nature and purpose of other reserves</u>

a) Securities premium

r r r d r r r r d rd r

b) Retained earnings

d r r r r r d rr d d r r r r r d d d r r d r d r d r d r d r r d d r d r d d r r r r d rd r r d r r r r r d

c) Share options outstanding reserve

r d r r d r r d r d d r

(All amounts in Rs millions., unless otherwise stated)

20 Borrowings
Carried at amortised cost

	31 March 2021	31 March 2020	01 April 201
Non current			
Secured			
r d r r r d			
r r r r			
r r r r d			
	2, 2.3	1, .	1.2
rr r r d rr r r			
Total non-current borrowings	1,313.	1, .34	0.44
Current			
Unsecured			
r r r r r			
r r r d r r			
r r r d r r			
r d r r			
r rr r r			
Total current borrowings	4, 0.23	1.0	24. 0

Notes

r r d d M r d r d r M r r r r r r r d r r d r r d r r r Mr r d Mr r r r r d r r r r M d r r r d r r r d d r r r r M r

r r d d M r d r r d r r d r r r r r d r r r r r d r r r r d r r r d r r r r

r r r r r r r r rr r r r r r d r r d r r r d r r r r d r r r d r r r r r r d r r d r r r d r d r

d r r d r r r rr r r d r r d r d rr r

r Mr r rr d r r r r r r d r d d d r r r Mr r r r r r Mr r r d d r Mr r r d r r

r r r d d r r r d rr d r d r r

r r d r d rr r r d r d d

r r d d M r d r rr r r d r r r r r r r r r r

r rr r d d r r r r d r r d d r d rr r rr r r d r r r r r r r r r r r d r d r r d r

r r d r rr d d r d d r d r r

d r r r d d

	Non-current borrowings (including current maturities)	Current borrowings
As at April 1, 201	1.2	24. 0
d rd r r		
r d		
As at March 31, 2020	1, .	1.0
d rd r r		
d rd r rr		
r rr		
As at March 31, 2021	2, 2.3	4, 0.23

(All amounts in Rs millions., unless otherwise stated)

21 Lease liabilities
Carried at amortised cost

	31 March 2021	31 March 2020	01 April 201
Non current			
	1.43	.	3 4.3
rr r			
Total non-current lease liability	0.0	.22	323.
Current			
Total current lease liability	31.3	11 .	0.3

r r r r

d d

A Impact on balance sheet (increase (decrease))

	31 March 2021	31 March 2020	01 April 201
Assets			
r r			
Liability			
r r			

B Impact on Statement of profit and loss (increase (decrease))

r d r		
r r		
r d d		
	(1 1. 3)	(20 .)

C Impact on Statement of cash flow(increase (decrease))

r		
Net cashflow from operating activities	(14 .0)	(1 0.20)
r r		
r r		
	(14 .0)	(1 0.20)

(i) Movement in lease liabilities for year ended 31 March 2021 and 31 March 2020

	31 March 2021	31 March 2020
r		
dd dd		
dd r d		
dd rr d d r r r r		
d r		
d d		
d r		
Balance at the end of the year	1.43	.

r d d r rd r r M r d M r

	31 March 2021	31 March 2020
r		
r		
Total	111.33	.3

22 Other financial liabilities

	31 March 2021	31 March 2020	01 April 201
Non-current			
Unsecured			
Carried at amortised cost			
r d			
	.	.4	. 1
Current			
Carried at amortised cost			
r r d d rr			
r d d			
r d			
rr r r rr			
r r r			
	1,3 0.3	.03	0.2

(All amounts in Rs millions., unless otherwise stated)

Carried at fair value through profit or loss

r d r r r r r d			
Total financial liabilities at fair value through profit or loss	**-**	**1, 4. 4**	**-**
Total other financial liabilities	**1,3 .1**	**2, 2.4**	**.**

r r d d M r r d r r M r r r r d
d d r d r r r r r

r r d d M r d r r r
r d r r r d d r d r d
r d rr d d d
r d d d r d r d d r r r r d r
r
r d r d r d r d r r
r r r r r r r d d r d r
r r r r r r d d d
r r d d M r r d r d r r r
r r r r r

23 Provisions

	31 March 2021	31 March 2020	01 April 201
Non-current			
r r r r r			
	. 2	**32.3**	**1 .42**
Current			
r r r r r			
r r d			
	0.23	**21.**	**.1**

24 Trade payables - refer note (a) below
Carried at amortised cost

	31 March 2021	31 March 2020	01 April 201
d d r r r d r r r r			
d d r d r r r r r d r r			
	1,102.	**1,402.20**	**1,0 .1**

r r d r r r
d r d r r d d d r M r d M d r r d M M

Particular	31 March 2021	31 March 2020	01 April 201
r d r d r r d r d r			
r d r d r r r d			
r d r r M M d r d d d d r r			
r d d r r d d d d d d r r dd r d d r M M			
r r d d r d d r			
r r r r d d d r d r d r d r r r r d d d d r d r M M			

d r r r d d r d r r r r r d r r

2 Other liabilities

	31 March 2021	31 March 2020	01 April 201
Current			
r d			
r r r			
	4.3	**1 4.0**	**4 . 2**

r r r M r d r d M r
d r r r r d r r r r d r
r r r r r r r d d r r r

(All amounts in Rs millions., unless otherwise stated)

2 Revenue from customers

	For the year ended	
	31 March 2021	**31 March 2020**
r d		
r		
r		
r		
	3, 3 .21	**4, . 3**

2 .1 Disaggregated revenue information

Segment	**March 31, 2021**	**March 31, 2020**
d		
d d		
Total revenue from operations	**3, 3 .21**	**4, . 3**
Timing of revenue recognition		
d r rr d		
r r rr d		
	3, 3 .21	**4, . 3**

2 .2 Contract balances

	As at		
	31 March 2021	**31 March 2020**	**01 April 201**
r d r			
r			
r			

	31 March 2021	**31 March 2020**
d d r r		
r r d rr r		
d r d r d d r		
	0.1	**1.24**

2 .3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	31 March 2021	**31 March 2020**
r r r		
Revenue from operations	**3, 3 .21**	**4, . 3**

2 Other income

	31 March 2021	**31 March 2020**
r		
r d		
r r		
r r d r d		
	40.0	**1 .24**
r d		
r r		
r r r d		
rr r d r		
r d d		
r r		
	4 . 0	**1 . 2**
	.	**3 .0**

(All amounts in Rs millions., unless otherwise stated)

2 Purchase of traded goods

	March 31, 2021	March 31, 2020
r r d r d d		
	2, 42.20	**3, . 3**

2 (Increase) decrease in inventories of traded goods

	March 31, 2021	March 31, 2020
r d r		
r d d d		
r r		
r d d d		
r d		
(Increase) decrease in inventories	**310.1**	**201.**

30 Employee benefits expense

	31 March 2021	31 March 2020
r d		
r r d d d r d r r		
r r		
r r r		
r		
	3,1 1.	**2, 3 .**

r r M r r d r r d r

31 Finance costs

	For the year ended	
	31 March 2021	**31 March 2020**
r		
r		
rr		
r		
	.3	**12 .4**

32 Depreciation and amortisation expense

	31 March 2021	31 March 2020
r r r d r r		
r r r		
r r r r		
	2 .0	**4 2. 2**

(All amounts in Rs millions., unless otherwise stated)

33 Other expenses

	31 March 2021	31 March 2020
	2, 32.12	3,210.24

(i) Payment to auditors (excluding taxes)

	31 March 2021	31 March 2020
	.00	4.04

34 Loss per equity share 'EPS'

	31 March 2021	31 March 2020

33A Impairment of oodwill and Software

	31 March 2021	31 March 2020
	2.	133. 0

	31 March 2021	31 March 2020
	1,030.	32.4

3 Employee benefits plan

(i) Defined contribution plans - Provident Fund

r r r r d d d r r d r r r r d
M r rd r d d r M r rd
r r d M r rd r r d

(ii) Defined benefit plans (unfunded)

r r d r r r d r r d r
r r r d r r r r r r r r dr
r r d r r r d r d r r r r d d r

r d d d r d

r r	*r r r r r r r r* *r d d r r*
d r	*r r r r r r d* *r d d d*
r r	*r d d d r r r r* *r r r r r r r r r r r d* *d r r r*
r r	*r d r r d r r d* *r r r r r d d*
r r	*r d rd r r r d d r* *r r r r r r r r* *r*

The following table sets out movement in defined benefits liability and the amount recognised in the financial statements

Changes in the defined benefit obligation and fair value of plan assets for the year ended 31 March 2020

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount in millions (A-B)
As at 01 April 201	1 .	-	1 .
Amount recognised in statement of profit and loss			
rr r			
r			
Total amount recognised in statement of profit and loss	.	-	.
Benefits paid	(2.00)	-	(2.00)
Remeasurement			
r r r d r			
r r r			
r d			
Total amount recognised in other comprehensive income	.2	-	.2
	-		
r r			
d r d r r d d r r			
	-		
As at 31 March 2020	33.40	-	33.40

Changes in the defined benefit obligation and fair value of plan assets for the year ended 31 March 2021

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount in millions (A-B)
As at 01 April 2020	**33.40**	**-**	**33.40**
[illegible]			**13. 4**
[illegible]			**2.2**
Total amount recognised in profit or loss	**1 . 3**	**-**	**1 . 3**
Benefits paid		**-**	**(.04)**
Remeasurement			
[illegible]			**(1 .2)**
[illegible]			**.1**
[illegible]			**(1 .)**
Total amount recognised in other comprehensive income	**24.0**	**-**	**24.0**
As at 31 March 2021	**.2**	**-**	**.2**

3 Employee benefits plan (continued)

The principal assumptions used in determining gratuity benefit obligations for the roup's plans are shown below

	31 March 2021	31 March 2020	1 April 201
[illegible]	[illegible]	[illegible]	[illegible]

A quantitative sensitivity analysis for significant assumptions are as shown below

	Sensitivity Level	31 March 2021		31 March 2020	
		Defined benefit obligation on increase decrease in assumptions			
		Increase	Decrease	Increase	Decrease
[illegible]	[illegible]				

The following payments are expected cash flows to the defined benefit plan in future years

	31 March 2021	31 March 2020	1 April 201
[illegible]			

(All amounts in Rs millions., unless otherwise stated)

3 Fair value measurement

i) The carrying value of financial assets by categories is as follows

	31 March 2021	31 March 2020	1 April 201
Measured at fair value through statement of profit and loss (F TPL)			
d			
Total financial assets measured at F TPL	**-**	**0.**	**.4**
Measured at amortised cost			
r d			
r			
r d r			
d			
r d			
Total financial assets measured at amortised cost	**2,022. 3**	**22 .14**	**1 2.3**
Total financial assets	**2,022. 3**	**22 .10**	**1 . 4**

ii) The carrying value of financial liabilities by categories is as follows

	31 March 2021	31 March 2020	1 April 201
Measured at fair value designated through statement of profit and loss (F TPL)			
r d r r r			
r rr			
Total financial liabilities measured at F TPL	**-**	**1, 1 .44**	**-**
Measured at amortised cost			
rr			
r			
r			
r d			
Total financial liabilities measured at amortised cost	**, 4 .41**	**4, 3. 0**	**1, . 4**
Total financial liabilities	**, 4 .41**	**, 01.04**	**1, . 4**

r d r d r d rr r

3 Fair value measurement - continued

iii) Fair value hierarchy

r d r r r r r d

	uoted prices in active mar et (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
		31 March 2021		
Financial assets and liabilities measured at fair values				
Measured at fair value through statement of profit and loss (F TPL)				
d				
Total financial asset measured at fair value	-	-	-	-
Measured at fair value through statement of profit and loss (F TPL)				
r d r r r				
Total financial liabilities measured at fair value	-	-	-	-
		31 March 2020		
Financial assets and liabilities measured at fair values				
Measured at fair value through statement of profit and loss (F TPL)				
d				0.
Total financial asset measured at fair value	0.	-	-	0.
Measured at fair value through statement of profit and loss (F TPL)				
r d r r r				1, 4. 4
r rr				-
Total financial liabilities measured at fair value	-	-	1, 1 .44	1, 4. 4
		1 April 201		
Financial assets and liabilities measured at fair values				
Assets measured at fair value through statement of profit and loss (F TPL)				
d				.4
Total financial asset measured at fair value	.4	-	-	.4
Liabilities measured at fair value through statement of profit and loss (F TPL)				
r d r r r				-
Total financial liabilities measured at Fair value	-	-	-	-

Notes

r d d d r d d rr r r r
r d r d d d r d r

r d r r r d d r d

d d r d r r d r r rr r rr
rr d r r r r d r r r r

r r d r r r d r d r d d rr d r r r d r
d r d d r

d r r r r d r d r d d d d d d rr r r
r r d d r rr d r d rr r r d d r rr d r r

r rr d r r rr r r r

3 Financial ris management

r r r rr r d d r r
r r r r d r d r d d rr d d d r d d r
r r

r r r d r d r d r r r rr d d r r d
rd r r d r dr r r d r r r d d
d d r r r d r rr r r rr d r r
r d r r r d d r r r d r rd r r r d r
r r r r d

a) Mar et ris

M r r r r r r r r M r r r r
r r r d r r r d r r d d rr d d

i. Interest rate ris

r r r r r r r r r r r
r r r r r r d r r d rr d r d r d r r r r

ii. Price ris

r r r r r r d d r r r r r d r d r
r

Sensitivity

r r r d r d

(Rs. In millions)

	Impact on profit before tax	
	31 March 2021	31 March 2020
r		
d r		

2. Credit ris

r d r r r r d r r r r r d r d r d
r r r r r r d r d r r r d d d

i) Trade receivables

r d r r r d d d r d r r r r r r r d r d r
d r d r r d r r d d r r d r r r r r d
r r r d r r r r d r d r d r
r d r r d r r r r d r r d r r r
r r r d r r r r d r r r r d r
r d r r d r r r r r d r d r r r d r

	0-1 0 days	1 1-3 days	More than 3 days	Total
As at 31 March 2021				
r d r				44 .
r d				(4 .01)
Net Trade receivables	**32 . 1**	**.1**	**0.0**	**401.**
As at 31 March 2020				
r d r				122. 3
r d				(2 .24)
Net Trade receivables	**3.3**	**1.10**	**-**	**4.4**
As at 1 April 201				
r d r				1.
r d				(2.10)
Net Trade receivables	**4 .**	**2.**	**-**	**4 .**

Reconciliation of loss allowance	**31 March 2021**	**31 March 2020**
d d r r		
dd d r r d		
Closing balance as at March, 31	**4 .03**	**2 .23**

(All amounts in Rs millions., unless otherwise stated)

Other financial assets and cash deposit

r d r r d d r r d r d r d d
r r r r d d r d r r r r r d r rr
d d

3. Liquidity ris

d r r r r d r d r rr r
d d r r r r r d d r

r r r r r r d r d r d d

Particulars	On demand	Less than 1 year	More than 1 year	Total
As at 31 March 2021				
rr d rr r				**,402.**
				1.43
r d				**1,102.**
r				**.**
r rr				**2.**
	4, 0.23	**2, 12.2**	**1, 14. 0**	**,3 .02**
As at 31 March 2020				
rr d rr r				**1, 1 . 4**
				.
r d				**1,402.20**
r d r r r				**1, 4. 4**
r				**.4**
r rr				**1, 1. 0**
	1, 4 .00	**2, 1. 4**	**2, . 2**	**,4 ,3**
As at 01 April 201				
rr d rr r				**2 .1**
				3 4.3
r d				**1,0 .1**
rr				**. 1**
r rr				**4 .**
	24. 0	**1,1 . 2**	**332. 1**	**1, . 3**

d r r d rr

(All amounts in Rs millions., unless otherwise stated)

3 Capital management

r r r d d r r r
r d r r r r r d r r r r r
r r r d r d
r d r r r r d
r d r

r r r d d d d r r
r d r r r d d d d
r d r r r r d r r r r d d r r d
rr d r r r d d d d d d

Particulars	31 March 2021	31 March 2020	1 April 201
rr d rr r *d*			
Net (cash and cash equivalents) debt (A)	**, 3.40**	**1, 2.20**	**(. 3)**
r d r r r			
Total equity capital (B)	**(, 2 .1)**	**(1,410.)**	**1,404.4**
Total debt and equity (C) (A) (B)	**344.22**	**4 1. 4**	**1,33 . 2**
earing ratio (A) (C)	**1 0 .3**	**3 2.**	**- .1**

r d r r r d r r d d M r
M r d r

r d d r r r r d

3 Related Party Disclosure

(i) List of related parties and relationship

olding company — *d r d r*

Key management personnel (KMP)

r r r
r r r r
r r d r r d r r d
r
r r r r d r
r d r
r dr r r M d
r d M r
r r r

Enterprises where KMP or their relatives exercise significant influence (where transactions have ta en place)

r d
r r d
r d r
r r r d
r r d
r r d
r r d M r
r d r r
d r r d r
r r d r
r d r
r r r r d r
r r r d r
M d r d r
M r M d r d r
r r d r
r d r d r
r d r
r r d r
M d r d d r

a) The following table is the summary of transactions with related parties by the roup

	31 March 2021	31 March 2020
Sale of products (net of sales returns)		
r r d		
r r r d		
r d		
	2 1.0	**3 . 4**
Purchase of Traded goods		
r d		
r r r d		
r r d		
r d r		
r r d		
r r r d		
d r r		
r d		
r r r r d		
M r M d r d		
r r d		
M d r d		
r r d		
	1 .2	**. 1**
Sale of Property, Plant & Equipment		
r r d		
r d r d		
	11.0	**-**
Rent expenses		
r d		
	4. 3	**4. 4**
Interest expense on Borrowings		
r d r		
r r d		
r r d		
r		
d r d		
	3 .	**1. 0**

(All amounts in Rs millions., unless otherwise stated)

Legal and professional fees		
d r d		
r r d		
	.3	**-**
Delivery charges		
r r d		
	34.2	**-**
uarantee fees		
r r d		
	-	**2.0**
Managerial remuneration		
r r		
r r		
r dr		
	3 .4	**3 . 2**

r r M d d r d r r r d r d r r d

Trade advances ta en		
r r d		
r r d		
	4 .00	**40.00**
Trade advances converted to loan during the year		
r r d		
r r d		
	.00	**-**
Rental deposit given		
r d		
	-	**0.0**
Rental deposit repaid		
r d		
	0.0	**-**
Borrowings ta en during the year		
r r d		
r r d		
r d r		
r		
r r		
d r d		
	,024. 2	**20.00**
Borrowings repaid during the year		
r		
r r		
	3 .0	**1 .34**
r r d r d r		
Issue of OCRPS (including securities premium)		
r d r		
r r r r d r r d		
	-	**1, 4. 4**
Issue of Equity shares (including securities premium)		
r d r		
r r		
	1, 2 .31	**4.**
r r d r r r r d r d		
r r		
Issue of Compulsorily Convertible Debentures (CCD)		
d r d r		
	0.00	**-**

b) The balances receivable from and payable to related parties are as follows

	31 March 2021	31 March 2020	1 April 201
Trade Payables			
r d			
r r d			
r d r			
r r d			
r r d			
r r r d			
r r r d			
M r M d r d			
d r r			
M d r d			
d r d			
	3 . 4	**110.04**	**23. 2**

Trade Receivables and Other assets			
r r r d			
r d r			
r r d			
r d r			
r r d			
r r d			
r d r d			
r d			
	1 .24	**2 .4**	**23. 2**
Advances recoverable in cash or ind			
r r d			
r r d			
r d			
r r r d			
	1 .	**-**	**13.24**
Security deposit receivable			
r d			
	0. 0	**0.**	**0.**
Borrowings payable			
r			
r r			
r d r			
r r d			
r r d			
d r d			
	,100.22	**2 .**	**-**
Interest accrued but not due on borrowings			
r r d			
r r d			
	.3	**-**	**-**
Advance from customers payable			
r r d			
r r d			
	-	**40.00**	**-**
Payable to ey management personnel			
r r			
r r			
r dr			
	0.2	**22.20**	**-**

40 Interest in other entities

a) Subsidiaries

r d r r d r r r d d r r d r r r r d r d
r r r r r r r r r

Name of entity	Principle activity	Place of business Country of Incorporation	Ownership interest held by the group	Ownership interest held by the group	Ownership interest held by the group
			31 March 2021	31 March 2020	1 April 201
M r r r r d	r	d			
r r r d	r	d			
M d r d	r	d			

b) Additional information, as required under schedule III of the Companies Act, 2013

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (loss) ("OCI OCL")		Share in total comprehensive income (loss) ("TCI TCL")	
As at 31 March 2021	As a of Consolidated net assets	Amount	As a of Consolidated profit or loss	Amount	As a of Consolidated OCI	Amount	As a of Consolidated TCI	Amount
The company								
M d r r d								
Subsidiary								
M r r r r d								
r r r d								
M d r d								
r d d r								
Total	100	(, 2 .1)	100	(,4 .1)	100	(24.0)	100	(,4 2.23)

Medlife International Private Limited

Notes to the consolidated financial statements for the year ended 31 March 2021

r d

b) Additional information, as required under schedule III of the Companies Act, 2013 (contd .)

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income (loss) ("OCI OCL")		Share in total comprehensive income (loss) ("TCI TCL")	
As at 31 March 2020	**As a of Consolidated net assets**	**Amount**	**As a of Consolidated profit or loss**	**Amount**	**As a of Consolidated OCI**	**Amount**	**As a of Consolidated TCI**	**Amount**
The company								
M d r r d								
Subsidiary								
M r r r r d								
r r r d								
M d r d								
r d								
Total	**100**	**(3,0 . 0)**	**100**	**(,11 . 3)**	**100**	**(.2)**	**100**	**(,124.)**

41 Commitments and Contingent Liabilities

i) Capital Commitments

	31 March 2021	31 March 2020	1 April 201
rd r d			

ii) Contingent liabilities

r M r M r r

r M r M r r

r r M r M r r

(All amounts in Rs millions., unless otherwise stated)

42 Segment Information

A. Description of segments and principal activities

r r r r d r r r r r d d r d r M rd
r r d d r M r " M" M r r d
r r r r r d r r
r r r d r d dr d r

B. Entity-wide disclosures

	31 March 2021	31 March 2020
r r r r r d r		
d		
r d		
	3, 3 .21	**4, . 3**
r rr		
d		
r d		
	1,1 .	**2, .**
rr r r r r d d		

r r r d d r r r r

	For the year ended	
	31 March 2021	**31 March 2020**
r r d		

(All amounts in Rs millions., unless otherwise stated)

43 Share based payments
Employee Share Option Scheme (ESOP)
Medlife Employee Stoc Option Plan 201

201 CEO ESOP Scheme

Key Terms	ESOP 201	CEO ESOP Scheme

The expense recognised for employee services received during the year is shown in the following table

	31 March 2021	31 March 2020

Movement in stoc options during the year ended 31 March 2021

	ESOP Plan 201		201 CEO ESOP Scheme	
	No. of options	AEP	No. of options	AEP

Movement in stoc options during the year ended 31 March 2020

	ESOP Plan 201		201 CEO ESOP Scheme	
	No. of options	AEP	No. of options	AEP
d r r dd r r r dd r r r dd r r d d r				
d r r	r			

d r r r dd r r r r M r r

d r r r d r r r r M r

d d r d r r d r

	31 March 2021	31 March 2020
dd d d d d r r r r r r d r d r	r	r

d d r d d rr d r d r r r
d r r r r d r d r r d
r

44 Business acquisitions

A.

Fair value recognised on acquisition

	Amount (millions)
Total fair value of net assets (liabilities) acquired (A)	**(242.0)**
Total Purchase consideration transferred (B)	
oodwill arising on acquisition (C)- (A-B)	**1,030.**

Purchase consideration	Amount (millions)
Total purchase consideration	**.4**

B.

Fair value recognised on acquisition

	Amount (millions)
Total fair value of net assets acquired (A)	**14.4**
Total Purchase consideration transferred (B)	**4 . 0**
oodwill arising on acquisition (C)	**32.44**

Purchase consideration	**Amount (millions)**
Total purchase consideration	**4 . 0**

C. *r d r d r r r M d r d r d*
r d r r r

r r d r r r d d d r d d r
r

Fair value recognised on acquisition

	Amount (millions)
r r d	
r rr	
r	
r rr	
r rr	
r r	
rr	
r d	
r rr	
r rr	
Total fair value of net assets acquired (A)	**1 4. 0**
Fair value of purchase consideration (B)	**1 4. 0**
oodwill arising on acquisition (C)- (A-B)	**-**

Purchase consideration	**Amount (millions)**
d r	
Total purchase consideration	**1 4. 0**

4 Adoption of Ind AS

A. First time adoption

B. Exemptions applied

Deemed cost

C. Mandatory Exceptions

Derecognition of financial assets and financial liabilities

Classification and measurement of financial assets

Estimates

Medlife International Private Limited
Notes to the consolidated financial statements for the year ended 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

D. Reconciliation of total equity between previous AAP and Ind AS

1. Equity reconciliation

	Notes	31 March 2020	1 April 201
Equity as reported under previous AAP		**(1,3 .)**	**1,40 .**
Ind AS adjustments			
r d			
d			
r d			
r r d r r r d			
r			
d r d r d r d			
d " d "			
d rd r r			
r rr			
r d d			
M r r r r d			
d r r			
r r d			
r			
		(1, 3 .)	**(2. 3)**
Equity as per Ind AS		**(3,0 . 0)**	**1,404.4**

2. Total comprehensive income reconciliation for the year ended 31 March 2020

	Notes	ear ended 31 March 2020
(Loss) after tax as per previous AAP		**(,2 .1)**
Ind AS adjustments		
r d		
d		
r d		
d r d r d r d		
d " d "		
d rd r r		
d		
r d d		
M r r r r d		
d r r		
r r d		
r		
r		
		13 .
Net (loss) after tax as per IND AS		**(,11 . 3)**
r r		
Total comprehensive income (loss) as per IND AS		**(,124.)**

Medlife International Private Limited
Notes to the consolidated financial statements for the year ended 31 March 2021
(All amounts in Rs millions., unless otherwise stated)

3. Cash flow reconciliation for the year ended 31 March 2020

	As per Previous AAP	Ind AS adjustments	As per Ind AS
d r			
d			
r			
d r			
Cash and cash equivalents at the end of the year	**2 . 4**	**-**	**2 . 4**

4 Adoption of Ind AS (continued)

Notes to reconciliations between previous AAP and Ind AS

a) Fair value of investment

b) Optionally Convertible redeemable preference shares

c) Security deposits

d) Allowance of expected credit losses on trade receivables and unbilled revenue

e) Lease

f) Impact due to EIR adjustment on borrowings

g) Employee stoc option expense

h) Amortisation of intangible identified in business combination of Metarain Distributors Private Limited

r rd r M r r r r d r r dr d r
r d d dr r d d r d r r r d r r
d r r d r d d d r d d r r d
d dr d r r d d M r

i) Impact of business combination and impairment of Evri sh ealthcare Private Limited

r rd r r r r d r M dr r rd d
r r r d r r d r d d d d d
d d r d d r r d d M r r dd r
d r r d r

j) Remeasurement of defined benefit obligation

d r r r d r r d r d dr d r d r r
r r d d r d r r r r d

) Retained earnings

d r r d d d d

4 *r d d d r r d d r d d*
d d dr r r d r rd d

r rr r d

For S.R. Batliboi & Associates LLP
r r d
r r r

per Rajeev Kumar
r r
M r r

r d

For and on behalf of the Board of Directors of
Medlife International Private Limited

Prashant Singh
M r r

Tushar Kumar
r r

Ajin ya R ain
r r

r d

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Thyrocare Technologies Limited
Report on the Audit of the Special Purpose Interim Ind AS Consolidated Financial Statements

Opinion

We have audited the attached Special Purpose Interim Ind AS Consolidated Financial Statements of Thyrocare Technologies Limited (the "Holding Company") and its subsidiaries (together referred to as the "Group"), which comprises the Consolidated Balance Sheet as at June 30, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the three months period ended June 30, 2021 and the summary of the significant accounting policies and other explanatory information (collectively referred to as the "Special Purpose Interim Ind AS Consolidated Financial Statements"). The Special Purpose Interim Ind AS Consolidated Financial Statements have been prepared by the management of the Holding Company in accordance with Indian Accounting Standard 34 Interim Financial Reporting (Ind AS 34) specified under Section 133 of the Companies Act, 2013 ("the Act").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Ind AS Consolidated Financial Statements prepared in accordance with Ind AS 34, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at June 30, 2021, and its loss, changes in equity and its cash flows for the three months period ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Interim Ind AS Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Special Purpose Interim Ind AS Consolidated Financial Statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special Purpose Interim Ind AS Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Interim Ind AS Consolidated Financial Statements in accordance with Indian Accounting Standard 34 'Interim Financial Reporting' specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Ind AS Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Interim Ind AS Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Ind AS Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Ind AS Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Interim Ind AS Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the Group has internal financial controls with reference to the Special Purpose Interim Ind AS Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Interim Ind AS Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Special Purpose Interim Ind AS Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Special Purpose Interim Ind AS Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Special Purpose Interim Ind AS Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter

a. The Special Purpose Interim Ind AS Consolidated Financial Statements also includes the Group's share of net loss after tax of Rs. (0.29) crores and total comprehensive income Rs. (0.29) crores for the quarter ended June 30, 2021 and for the period from April 1, 2021 to June 30, 2021, as considered in the Special Purpose Interim Ind AS Consolidated Financial Statements, in respect of one associate, whose unaudited interim standalone financial results have not been reviewed by us. These unaudited interim standalone financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this, associate, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above.

b. We did not audit the financial statements of one subsidiary included in the Special Purpose Interim Ind AS Consolidated Financial Statements, the subsidiary, the financial statements of which have not been audited by their auditor, whose financial results reflect total assets of Rs. 0.004 million as at June 30, 2021 and total revenue of Rs. Nil, total net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter ended June 30, 2021 and for the period from April 01, 2021 to June 30, 2021, as considered in the Special Purpose Interim Ind AS Consolidated Financial Statements, based on their financial results which have not been audited by their auditor. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

c. The comparative financial information for the year ended March 31, 2021 of Special Purpose Interim Ind AS Consolidated Financial Statements is audited by the predecessor auditors and who have expressed an unmodified opinion on those consolidated financial statements, vide their audit report dated May 8, 2021.

d. On account of our appointment as auditor subsequent to June 30, 2021, it was impracticable for us to attend the physical verification of inventory carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", which includes inspection of supporting documentation relating to purchases, results of cyclical count performed by the Management through the period and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence over the existence of inventory amounting to Rs. 269.10 millions as on June 30, 2021.

Our opinion on the Special Purpose Interim Ind AS Consolidated Financial Statements is not modified in respect of above matters.

Restriction on Distribution and use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of preparation. The Special Purpose Interim Ind AS Consolidated Financial Statements have been prepared by Management of the Holding Company and approved by the Board of Directors for the purpose to enable API Holdings Private Limited to include and compile Pro Forma Financial Information in their Draft Red Herring Prospectus as of and for the period ended June 30, 2021. As a result, the financial information may not be suitable for any other purpose.

Our report is intended solely for the use of Management of the Holding Company and should not be distributed to or used by other parties. MSKA & Associates shall not be liable to the Group or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Vaijayantimala Belsare
Partner
Membership No. 049902
UDIN: 21049902AAAABO2376

Place: Mumbai
Date : October 27, 2021

Annexure A

Table 1 – As of and for the period ended June 30, 2021

Sr No.	Name of the Entity	Relationship
1	Nueclear Healthcare Limited	Subsidiary
2	Thyrocare Employees Stock Option Trust	Subsidiary
3	Equivnox Labs Private Limited	Associate

Thyrocare Technologies Limited

Consolidated Balance Sheet

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Note	**30 June 2021**	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	*4*	**1,309.70**	1,293.30
Capital work-in-progress	*4*	**74.40**	82.80
Goodwill	*4D*	**1,002.80**	1,002.80
Other intangible assets	*5A*	**9.20**	9.60
Right-of-use assets	*5B*	**377.10**	224.90
Equity accounted investees	*6*	**208.10**	211.00
Financial assets	*8,9*	**67.90**	59.70
Deferred tax assets	*10*	**53.60**	56.30
Other tax assets	*11*	**137.30**	104.00
Other non-current assets	*12*	**32.90**	32.30
Total non-current assets		**3,273.00**	3,076.70
Current assets			
Inventories	*13*	**269.20**	233.60
Financial assets			
Investments	*7*	**509.00**	1,044.90
Trade receivables	*14*	**550.50**	446.80
Cash and cash equivalents	*15*	**448.80**	132.00
Other bank balances	*15*	**25.30**	25.30
Loans	*8*	**0.20**	6.00
Other financial assets	*16*	**1.20**	60.70
Other current assets	*17*	**46.60**	28.50
Assets held for sale	*4*	**283.60**	403.50
Total current assets		**2,134.40**	2,381.30
Total assets		**5,407.40**	5,458.00
Equity and liabilities			
Equity			
Equity share capital	*18*	**528.70**	528.70
Other equity	*19*	**3,508.70**	3,744.10
Equity attributable to owners of the Company		**4,037.40**	4,272.80
Non-controlling interests		**-**	-
Total equity		**4,037.40**	4,272.80
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	*20*	**216.40**	54.50
Provisions	*22A*	**114.30**	135.80
Deferred tax liabilites	*10*	**40.50**	43.90
Total non-current liabilities		**371.20**	234.20
Current liabilities			
Financial liabilities			
Lease liabilities	*20*	**23.40**	30.40
Trade payables	*23*		
- total outstanding dues of micro enterprises and small enterprises and		**15.60**	5.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		**179.00**	244.80
Other financial liabilities	*21*	**217.60**	234.30
Current tax liabilities (net)	*24*	**140.00**	25.70
Provisions	*22B*	**21.90**	33.90
Other current liabilities	*25*	**401.30**	376.60
Total current liabilities		**998.80**	951.00
Total equity and liabilities		**5,407.40**	5,458.00
Significant accounting policies	*2-3*		

The accompanying notes form an integral part of the Special Purpose Interim Ind AS consolidated financial statements.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Vaijayantimala Belsare
Partner
Membership No: 049902

Mumbai, 27 October 2021

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
CIN - L85110MH2000PLC123882

Dhaval Shah
Director
DIN - 07485688

Dharmil Sheth
Director
DIN - 06999772

Ramjee D
Company Secretary
Membership No - F2966
Navi Mumbai, 27 October 2021

Thyrocare Technologies Limited

Consolidated Statement of Profit and Loss

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	Note	Period ended 30 June 2021	Period ended 31 March 2021
Revenue from operations	26	**1,646.50**	4,946.20
Other income	27	**104.90**	124.30
Total income		**1,751.40**	5,070.50
Expenses			
Cost of materials consumed	28a.	**523.90**	1,625.30
Purchases of stock-in-trade	28b.	**18.70**	10.90
Changes in inventories of stock-in-trade	28c.	**(0.40)**	2.80
Employee benefits expense	29	**139.10**	580.70
Finance cost		**6.20**	8.70
Depreciation and amortisation expense	4,5	**72.90**	302.80
Other expenses	30	**252.90**	1,013.90
Total expenses		**1,013.30**	3,545.10
Profit before share of profit of associate, exceptional items and tax		**738.10**	1,525.40
Share of (loss)/ profit of associate	6	**(2.90)**	(0.70)
Profit before tax		**735.20**	1,524.70
Tax expense:	31		
Current tax		**180.60**	442.50
Deferred tax		**(1.20)**	(49.30)
Total Tax Expense		**179.40**	393.20
Profit for the period before Non controlling Interest		**555.80**	1,131.50
Non- controlling Interest		**-**	-
Profit for the period attributable to Owners of the Company		**555.80**	1,131.50
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)		**(2.10)**	(18.70)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)	10,31	**0.50**	4.80
Other comprehensive income for the period, net of tax		**(1.60)**	(13.90)
Total comprehensive income for the period		**554.20**	1,117.60
Other Comprehensive Income for the year Attributable to:			
Non- controlling Interest		**-**	-
Owners of the Company		**(1.60)**	(13.90)
Total Comprehensive Income for the year Attributable to:			
Non- controlling Interest		**-**	**-**
Owners of the Company		**554.20**	1,117.60
Earnings per share [Nominal value of Rs. 10 each]:			
(a) Basic (INR)	32(i)	**10.51**	21.41
(b) Diluted (INR)	32(ii)	**10.48**	21.37

Significant accounting policies *2-3*

The accompanying notes form an integral part of the Special Purpose Interim Ind AS consolidated financial statements.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
CIN - L85110MH2000PLC123882

Vaijayantimala Belsare
Partner
Membership No: 049902

Dhaval Shah
Director
DIN - 07485688

Dharmil Sheth
Director
DIN - 06999772

Mumbai, 27 October 2021

Ramjee D
Company Secretary
Membership No - F2966
Navi Mumbai, 27 October 2021

Thyrocare Technologies Limited

Consolidated Statement of Cash Flows

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

		Period ended 30 June 2021	Year ended 31 March 2021
A.	**Cash flows from operating activities**		
	Net profit before exceptional items, share of profit of associate and income tax	**738.10**	1,525.40
	Adjustments for:		
	Depreciation and amortisation	**72.90**	302.80
	Net (gain) on investments	**(14.90)**	(36.80)
	(Profit) on sale of property, plant and equipment	**(80.00)**	(42.00)
	Allowance for credit impaired	**13.10**	4.30
	Share issue expenses		0.20
	Finance cost	**6.20**	8.70
	Employee stock compensation expense	**3.50**	16.80
	Interest income	**(3.50)**	(7.90)
		(2.70)	246.10
	Operating profit before working capital changes	**735.40**	1,771.50
	Adjustments for :		
	(Increase) in Inventories	**(35.60)**	(27.40)
	(Increase) in Trade receivables	**(116.80)**	(285.60)
	(Increase)/ Decrease in Loans and advances	**(2.70)**	15.40
	Decrease/ (Increase) in Other assets	**35.70**	(41.40)
	(Decrease) in Trade payables	**(55.40)**	31.50
	Increase in Other liabilities	**25.40**	71.70
	(Decrease) in Provisions	**(33.40)**	59.30
		(182.80)	(176.50)
	Cash generated from operations	**552.60**	1,595.00
	Taxes paid (net of refunds)	**(96.60)**	(432.10)
	Net cash flows generated from operating activities (A)	**456.00**	1,162.90
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, additions to capital work in progress and capital advances	**(108.80)**	(282.60)
	Proceeds/ advance for sale of property, plant and equipment	**226.50**	53.10
	Proceeds from sale of business undertaking	**-**	42.50
	Purchase of current investments	**(220.00)**	(1,360.00)
	Proceeds from sale of current investments	**770.90**	1,042.10
	Investment in term deposits	**-**	(1.10)
	Interest received	**2.50**	3.70
	Net cash (used) in/ from investing activities (B)	**671.10**	(502.30)
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity shares	**-**	0.30
	Share issue expenses	**-**	(0.20)
	Repayment of unsecured loan taken from related party	**-**	(25.00)
	Payment towards principal portion of lease liabilities	**(11.20)**	(55.50)
	Payment towards interest portion of lease liabilities	**(6.00)**	(5.50)
	Dividend paid on equity shares	**(793.10)**	(528.40)
	Interest paid	**-**	(1.40)
	Net cash used in financing activities (C)	**(810.30)**	(615.70)
	Net Increase in Cash and cash equivalents (A+B+C)	**316.80**	44.90
	Cash and cash equivalents at the beginning of the year	**132.00**	87.10
	Cash and cash equivalents at the end of the year	**448.80**	132.00

Consolidated Statement of Cash Flows *(Continued)*
for the period ended 30 June 2021

Notes to cash flow statement

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7, "Statement of cash flows".

2 Reconciliation of cash and cash equivalents with the balance sheet:

Particulars	30 June 2021	31 March 2021
Cash and cash equivalents *(refer note 15)*	**448.80**	132.00
Balance as per statement of cash flows	**448.80**	132.00

3 Reconciliation of the movements of liabilities to cash flows arising from financing activities :

Particulars	Lease liabilities
Balance at 1 April 2020	99.40
Changes from financing cash flows	
Repayment of lease liabilities - principal portion	(55.50)
Payment of interest on lease liabilities	(5.50)
Total changes from financing cash flows	(61.00)
Other changes	
Additional lease liabilities recognised/ (derecognised) during the year	41.00
Interest expense	5.50
Balance at 31 March 2021	84.90
Balance at 1 April 2021	**84.90**
Changes from financing cash flows	
Repayment of lease liabilities - principal portion	**(11.20)**
Payment of interest on lease liabilities	**(6.00)**
Total changes from financing cash flows	**(17.20)**
Other changes	
Additional lease liabilities recognised/ (derecognised) during the year	**166.10**
Interest expense	**6.00**
Balance at 30 June 2021	**239.80**

Significant accounting policies

The accompanying notes form an integral part of the Special Purpose Interim Ind AS Consolidated Financial Statements.

As per our report of even date attached.

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
CIN - L85110MH2000PLC123882

Vaijayantimala Belsare
Partner
Membership No: 049902

Dhaval Shah
Director
DIN - 07485688

Dharmil Sheth
Director
DIN - 06999772

Ramjee D
Company Secretary
Membership No - F2966
Navi Mumbai, 27 October 2021

Mumbai, 27 October 2021

Thyrocare Technologies Limited

Consolidated Statement of Changes in Equity

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

a. Equity share capital

	Note	Amount
Balance as at the 1 April 2020		**528.40**
Changes in equity share capital during the year	18	**0.30**
Balance as at the 31 Mrch 2021		**528.70**
Balance as at the 1 April 2021		**528.70**
Changes in equity share capital during the period	18	**-**
Balance as at the 30 June 2021		**528.70**

b. Other equity

	Note	Reserves and surplus						Total
		Capital reserve	Securities premium	Share options outstanding	General reserve	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2020		317.10	672.40	37.30	91.70	9.60	2,010.00	**3,138.10**
Total comprehensive income for the year ended 31 March 2021								
Profit for the year		-	-	-	-	-	1,131.50	**1,131.50**
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	(13.90)	**(13.90)**
Total comprehensive income		-	-	-	-	-	1,117.60	**1,117.60**
Transaction with owners recorded directly in equity								
Exercise of employee stock options	19(b)	-	24.70	-	-	-	-	**24.70**
Employee stock option compensation expense for the year	19(c)	-	-	16.80	-	-	-	**16.80**
Transfer to securities premium account on exercise of stock option	19(c)	-	-	(24.70)	-	-	-	**(24.70)**
Interim dividend on equity shares	19(f)	-	-	-	-	-	(528.40)	**(528.40)**
Total contributions by and distributions to owners		-	24.70	(7.90)	-	-	(528.40)	**(511.60)**
Balance as at the 30 June 2021		**317.10**	**697.10**	**29.40**	**91.70**	**9.60**	**2,599.20**	**3,744.10**
Balance as at 1 April 2021		317.10	697.10	29.40	91.70	9.60	2,599.20	**3,744.10**
Total comprehensive income for the period ended 30 June 2021								
Profit for the period		-	-	-	-	-	555.80	**555.80**
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	(1.60)	**(1.60)**
Total comprehensive income		-	-	-	-	-	554.20	**554.20**
Transaction with owners recorded directly in equity								
Employee stock option compensation expense for the period	19(c)	-	-	3.50	-	-	-	**3.50**
Final dividend on equity shares	19(f)	-	-	-	-	-	(793.10)	**(793.10)**
Total contributions by and distributions to owners		-	-	3.50	-	-	(793.10)	**(789.60)**
Balance as at the 30 June 2021		**317.10**	**697.10**	**32.90**	**91.70**	**9.60**	**2,360.30**	**3,508.70**

Significant accounting policies *2-3*

The accompanying notes form an integral part of the Special Purpose Interim Ind AS consolidated financial statements.

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
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DIN - 06999772

Mumbai, 27 October 2021

Ramjee D
Company Secretary
Membership No - F2966
Navi Mumbai, 27 October 2021

Thyrocare Technologies Limited

Notes to the Special Purpose Interim Ind ASconsolidated financial statements
for the period ended 30 June 2021

1. Reporting entity

Thyrocare Technologies Limited (the "Company") alongwith its subsidiaries Nueclear Healthcare Limited and Thyrocare Employees Stock Option Trust [collectively referred to as the "Group"], is one of India's leading healthcare services providers in diagnostic segment. The consolidated financial statements include financial statements of the Company, its Subsidiaries and its associate, Equinox Labs Private Limited. The Group has a centralised fully automated diagnostic testing laboratory, regional processing laboratories, a medical cyclotron facility and PET-CT facilities across the country. The Company has been incorporated under the provisions of the Companies Act in India and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company's subsidiaries and associate are also domiciled in India.

2. Basis of preparation

A. Statement of compliance

Docon Technologies Private Limited [CIN : U72900KA2016PTC126436], a private limited company incorporated under the laws of India and having their registered office at #77/A, Industrial Layout, Kormangala, Bangalore, Karnataka – 560034, India, (hereinafter referred to as the "Purchaser") has entered into a share purchase agreement dated 25 June 2021 with the promoters and promoter group shareholders (the "Share Purchase Agreement" or "SPA"), pursuant to which the Purchaser has agreed to acquire from these shareholder 3,49,72,999 Equity Shares of the Target Company representing 66.11% of the expanded voting share capital, completion of which is subject to the satisfaction of certain conditions precedent under the Share Purchase Agreement. The sale of such Equity Shares under the Share Purchase Agreement is proposed to be executed at a price of ₹ 1,300.00/- per Equity Share (the "SPA Price") as an off-market trade. The Share Purchase Agreement also sets forth the terms and conditions agreed between the Purchaser and these Shareholders, and their respective rights and obligations.

Since the Purchaser has entered into an agreement to acquire voting rights in excess of 25.00% of the equity share capital and control over the Company, the Purchaser alongwith API Holdings Private Limited [CIN : U60100MH2019PTC323444], a private limited company incorporated under the laws of India and having their registered office at Gala No. 220, 2nd Floor, Andheri Universal Premises Cooperative Society Limited, J.P. Road, Andheri (West), Mumbai, Maharashtra – 400058, India, (hereinafter referred to as the "PAC") have mad an Open Offer under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations. Pursuant to the Open Offer and consummation of the transaction contemplated under the Share Purchase Agreement, the Purchaser will have control over the Company and the Purchaser shall become the promoter of the Company including in accordance with the provisions of the SEBI (LODR) Regulations.

These Special Purpose Interim Ind AS consolidated financial statements (hereinafter referred to as 'special purpose consolidated financial statements') have been prepared by the management and approved by the Board of Directors for the purpose to enable API Holdings Private Limited to include them in its Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (the "Offer Documents") to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as relevant, in connection with the proposed IPO and to compile Pro Forma Financial Information in the Offer Documents for the financial year ended March 31, 2021 and for the period ended June 30, 2021.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 27 October 2021.

The details of the accounting policies are included in Note 3.

B. Functional and presentation currency

These consolidated financial statements are prepared in India Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest crore, unless otherwise indicated.

C. Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for the following items:

Items	Measurement basis
Investment	Fair value
Employee shared-based payments at grant date	Fair value
Net defined benefit (asset) / liability	Fair Value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 K – Revenue recognition at a point in time

Note 3 N – Leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 I - Impairment of financial and non-financial assets

Note 3 J – Assets held for sale – to determine fair value less cost to sell

Note 4 and 5 - determining an asset's expected useful life and the expected residual value at the end of its life

Note 9 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

Note 33 – measurement of defined benefit obligations: key actuarial assumptions and

Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company, in case of assets held for sale, makes use of valuation certificates obtained from third party professionals for determining significant fair value measurement for cases covered under Level 3.

The group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as statements of asset management companies managing the mutual fund schemes, is used to measure fair values, then the group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues, if any, are reported to the company's audit committee.

Fair value is categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities (includes mutual funds that have quoted price/ declared NAV).

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes :

- Note 4C – investment property;

- Note 34 – share-based payment arrangements; and

- Note 35 – financial instruments.

F. Principles of consolidation and equity accounting

(i) Business combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2016.

In respect of business combinations, goodwill represents the amount recognised under the Group's previously accounting framework under Indian GAAP.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used for business combination by the group.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member in the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure :

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(v) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in an associate.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associate is accounted for using the equity method. This is initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

A. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group operates in three reportable business segment.

Refer note 33 in the financial statements for additional disclosures on segment reporting.

B. Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria :

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(ii) it is expected to be realised within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria :

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(ii) it is due to be settled within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) the group does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current - non-current classifications of assets and liabilities.

C. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities are translated at the rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

D. Financial instruments

(i) ***Recognition and initial measurement***

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus except for receivables / contract assets under Ind AS 115 which are measured at transaction price, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI); or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI — equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective at amortised interest method. The amortised cost is reduced by impairment losses. Interest cost / income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value, Dividends are recognised as income in profit of loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Impairment of Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The Group's goodwill on consolidation are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and revenue growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and Management's estimates of the future growth in the business. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Discount rates

Management estimates discount rates using pre-tax rates that reflects current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates

The growth rates are based on industry growth forecasts and Management's best estimates of the expected future growth. Management determines the forecasted growth rates based on past performance and its expectations of market development.

F. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii)Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on cost' of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment prescribed as per Schedule II are as follows:

Assets	**Useful life as per Schedule II**
Buildings	60 Years
Plant and equipment (diagnostic equipment)	13 Years
Plant and equipment (others)	15 Years
Office equipment	5 Years
Furniture and fittings	10 years
Computers	3-6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

(iv) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

G. Other Intangible assets

Before transition to Ind AS, other intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The intangible assets acquired by the Group, after transition to Ind AS are measured at fair value.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Softwares - 5 years

- Trademark – 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

H. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in processing are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

I. Impairment

(i) Impairment of financial assets

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

At each reporting date, the Group assesses whether financial assets carried at amortised cost. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being past due for 90 days or more;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

Impairment of investments in associates

Determining whether the investments in associates are impaired requires an estimate in the value in use of investments. The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

J. Non-current assets, or disposal groups held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Non-current assets classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet. The liabilities classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

The post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation shall be disclosed separately as a single amount in the Consolidated Statement of Profit and Loss.

An analysis of the single amount into the revenue, expenses and pre-tax profit or loss of discontinued operations, the related income tax expense as required by Ind AS 12 and the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation along with the related income tax expense thereon as required by Ind AS 12 may be presented in the notes or in the Consolidated Statement of Profit and Loss.

K. Employee benefits

(i)Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

(vi) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

L. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

M. Revenue from operations

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue stream	Nature and timing of satisfying performance obligations, including significant payment terms	Revenue recognition under Ind AS 115

Sale of services	Customers obtain control of the service at the time of receipt of relevant test reports. Customers generally pay upfront before availing diagnostic services or before undergoing scans and in case of tie-up customers, the credit period offered generally ranged from 15 days to 30 days. The Group generally does not have refund/warranty obligations.	Revenue from sale of testing and imaging services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests.
Sale of goods and consumables	Customer obtains control of goods and consumables when the goods are delivered to the customer's premise or other agreed upon delivery point where the customer takes control of the goods. The credit period offered to customers generally ranged from 30 days to 90 days. The Group does not have refund/warranty obligations.	Revenue is recognized at a point in time when the goods and consumables are delivered at the agreed point of delivery which generally is the premises of the customer.

Income from technical assistance and trade mark assignment is recognised once the Group's right to receive the revenue is established by the reporting date. Income from technical assistance and trademark is recognised as an agreed percentage of the turnover of the respective entities, as per the terms of the respective agreements.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

N. Leases

The Group has applied *Ind AS 116 Leases*, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind *AS 17*. The details of accounting policies under Ind *AS 17* are disclosed separately if they are different from those under *Ind AS 116* and the impact of changes is disclosed separately in this note.

Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease, a contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either, throughout the period of use:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

An inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) As a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property, separately, in *Note 5B 'Right of use long term leases (net of net investment in sub-leases)'* and lease liabilities in *Note 21A 'Other financial liabilities - Non-current'* and *Note 21B 'Other financial liabilities - Current'*, in the statement of financial position.

However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a singly lease component.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term-leases of machinery that have a lease term of 12 months of less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease otherwise it is classified as finance lease.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset

In case of sublease, finance lease receivable is netted off from the value of Right of Use asset.in *Note 5B.*

Maturity Analysis of Lease liabilities as at 30 June 2021 on an undiscounted basis:

Particulars	**As at 30 June 2021 (in million)**	As at 31 March 2021 (in million)
Less than one year	**23.40**	30.40
One to five years	**172.00**	53.70
More than five years	**44.40**	0.80
Total	**239.80**	84.90

Lease liabilities recorded in the Balance sheet as at 30 June 2021

Particulars	**As at 30 June 2021 (in million)**	As at 31 March 2021 (in million)
Non-current portion	**216.40**	54.50
Current portion	**23.40**	30.40
Total	**239.80**	84.90

Amounts recognized in the statement of profit and loss

Particulars	**As at 30 June 2021 (in million)**	As at 31 March 2021 (in million)
Interest expense on leases (recorded under Finance Cost in the statement of profit and loss)	**6.20**	6.90
Depreciation on right-of-use assets for the year (refer note 5B for further details)	**14.30**	50.60
Expenses relating to short term leases recorded in Note 30 under Rent	**2.40**	12.30

Amount recognized in the statement of cash flows:

Particulars	**As at 30 June 2021 (in million)**	As at 31 March 2021 (in million)
Total cash outflow on account of leases	**17.20**	61.00

(iii) Other leases

The Group entered into lease with the landlord for land at central processing laboratory premises about 10 years ago. The lease premium paid on transfer of lease rights in favor of the Group, is capitalised in the books and amortised over the period of the lease.

Equipment placement arrangements

The Group uses testing equipment (analysers) under a number of reagent rental arrangements. Some of these arrangements provide the Group with option to purchase the equipment at the end of lease term at mutually negotiated price as well as an obligation to purchase the equipment at stipulated price in the event of premature termination.

Some of these arrangements are not in the legal form of lease, but a portion of the cost paid to the vendors for is considered to contain a lease element due to the nature of the contractual terms.

Change in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group applied *Ind AS 116* with a date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied *Ind AS 116* using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019. The details of the changes in accounting policies are disclosed below.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease. Under *Ind AS 116*, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained earlier in this Note K.

On transition to *Ind AS 116*, the Group elected to apply the practical expedient to grandfather the assessment of which transaction are leases. It applied *Ind AS 116* only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind *AS 17* were not reassessed for whether there is a lease. Therefore, the definition of a lease under *Ind AS 116* was applied only to contracts entered into or changed on or after 1 April 2019.

B. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under *Ind AS 116*, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on balance sheet.

The Group decided to apply recognition exemption to short-term leases of machinery and lease of IT equipment.

(i) Leases classified as operating leases under Ind AS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either :

- their carrying amount as if *Ind AS 116* had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach for all other leases.

The Group used the following practical expedients when applying *Ind AS 116* to leases previously classified as operating leases under Ind *AS 17*.

- applied a single discount rate to a portfolio of leases with similar characteristics.
- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

C. As a lessor

The Group is not required to make any adjustments on transition to *Ind AS 116* for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with *Ind AS 116* from the date of initial application.

Under *Ind AS 116*, the Group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under Ind *AS 17*. The Group concluded that the sub-lease is a finance lease under *Ind AS 116*.

The Group applied *Ind AS 115 Revenue from contracts with customers* to allocate consideration in the contract to each lease and non-lease component.

O. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to :
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

P. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Q. Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business and is part of a single co-ordinated plant to dispose of a separate major line of business. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

R. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

S. Subsequent events

Docon Technologies Private Limited [CIN : U72900KA2016PTC126436], a private limited company incorporated under the laws of India and having their registered office at #77/A, Industrial Layout, Kormangala, Bangalore, Karnataka – 560034, India, (hereinafter referred to as the "Purchaser") has entered into a share purchase agreement dated 25 June 2021 with the promoters and promoter group shareholders (the "Share Purchase Agreement" or "SPA"), pursuant to which the Purchaser has agreed to acquire from these shareholder 3,49,72,999 Equity Shares of the Target Company representing 66.11% of the expanded voting share capital, completion of which is subject to the satisfaction of certain conditions precedent under the Share Purchase Agreement. The sale of such Equity Shares under the Share Purchase Agreement is proposed to be executed at a price of ₹ 1,300.00/- per Equity Share (the "SPA Price") as an off-market trade. The Share Purchase Agreement also sets forth the terms and conditions agreed between the Purchaser and these Shareholders, and their respective rights and obligations.

Since the Purchaser has entered into an agreement to acquire voting rights in excess of 25.00% of the equity share capital and control over the Company, the Purchaser alongwith API Holdings Private Limited [CIN : U60100MH2019PTC323444], a private limited company incorporated under the laws of India and having their registered office at Gala No. 220, 2nd Floor, Andheri Universal Premises Cooperative Society Limited, J.P. Road, Andheri (West), Mumbai, Maharashtra – 400058, India, (hereinafter referred to as the "PAC") have mad an Open Offer under Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations. Pursuant to the Open Offer and consummation of the transaction contemplated under the Share Purchase Agreement, the Purchaser will have control over the Company and the Purchaser shall become the promoter of the Company including in accordance with the provisions of the SEBI (LODR) Regulations.

T. Social Security Code

Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. However, the Company believes that there will be no impact and hence has not provided for any additional liability as on 30 June 2021 in the books of account. In the opinion of the management all transactions with its related parties are made on basis arm length and/or at comparatives/benefits assessment basis. The report of the accountant u/s 92E (Transfer Pricing) of the Income Tax Act 1961 and related records will be submitted along with Income Tax Return. The Company does not expect any material liability on this account in view of fair assessment of mark ups, charges and other costs. The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The

Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*
as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

4 Property, plant and equipment, capital work-in-progress and investment property
See accounting policies in Note 3 F

	Gross block					Accumulated depreciation and impairment losses					Net block	
	Balance as at 1 April 2021 Balance as at 1 April 2020	**Addition**	**Disposal**	**Reclassification to assets held for sale/Reclassification to Right-of-use assets/ Other adjustments**	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 1 April 2021** Balance as at 1 April 2020	**Depreciation/ amortisation expense for the period**	**On disposals**	**Transfer on reclassification to assets held for sale*/right-of-use assets**	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 31 March 2021** Balance as at 31 March 2020
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
A Property, plant and equipment												
Freehold Land	**70.90**	**-**	**-**	**-**	**70.90**	**-**	**-**	**-**	**-**	**-**	**70.90**	**70.90**
	166.20	*-*	*-*	*(95.30)*	*70.90*	*-*	*-*	*-*	*-*	*-*	*70.90*	*166.20*
Buildings/ Premises	**469.40**	**-**	**-**	**-**	**469.40**	**97.90**	**4.70**	**-**	**-**	**102.60**	**366.80**	**371.50**
	483.40	*-*	*(14.00)*	*-*	*469.40*	*83.80*	*20.60*	*(6.50)*	*-*	*97.90*	*371.50*	*399.60*
Plant and Equipment	**1,383.70**	**64.30**	**-**	**-**	**1,448.00**	**710.60**	**37.50**	**-**	**-**	**748.10**	**699.90**	**673.10**
	1,289.40	*152.10*	*(57.80)*	*-*	*1,383.70*	*573.30*	*166.50*	*(29.20)*	*-*	*710.60*	*673.10*	*716.10*
Furniture and Fixtures	**247.60**	**5.60**	**-**	**-**	**253.20**	**126.60**	**10.60**	**-**	**-**	**137.20**	**116.00**	**121.00**
	197.20	*57.70*	*(7.30)*	*-*	*247.60*	*95.60*	*34.10*	*(3.10)*	*-*	*126.60*	*121.00*	*101.60*
Vehicles	**4.30**	**-**	**(0.40)**	**-**	**3.90**	**1.90**	**0.20**	**-0.30**	**-**	**1.80**	**2.10**	**2.40**
	6.70	*-*	*(2.40)*	*-*	*4.30*	*3.00*	*1.10*	*(2.20)*	*-*	*1.90*	*2.40*	*3.70*
Office equipment	**95.30**	**3.00**	**-**	**-**	**98.30**	**52.70**	**3.90**	**-**	**-**	**56.60**	**41.70**	**42.60**
	66.40	*31.00*	*(2.10)*	*-*	*95.30*	*38.90*	*15.20*	*(1.40)*	*-*	*52.70*	*42.60*	*27.50*
Computers printers and scanners	**59.80**	**1.80**	**-**	**-**	**61.60**	**48.00**	**1.30**	**-**	**-**	**49.30**	**12.30**	**11.80**
	51.00	*8.80*	*-*	*-*	*59.80*	*36.10*	*11.90*	*-*	*-*	*48.00*	*11.80*	*14.90*
Total	**2,331.00**	**74.70**	**(0.40)**	**-**	**2,405.30**	**1,037.70**	**58.20**	**(0.30)**	**-**	**1,095.60**	**1,309.70**	**1,293.30**
	2,260.30	*249.60*	*(83.60)*	*-95.30*	*2,331.00*	*830.70*	*249.40*	*(42.40)*	*-*	*1,037.70*	*1,293.30*	*1,429.60*
B Capital work-in-progress	**82.80**	**65.90**	***(74.30)***	**74.40**								
	49.40	*293.10*	*(259.70)*	*82.80*								

Figures in italic pertains to previous year.

Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*
as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

4 Property, plant and equipment, capital work-in-progress and investment property *(Continued)*

	Gross block					Accumulated depreciation and impairment losses					Net block	
	Balance as at 1 April 2021 Balance as at 1 April 2020	**Addition**	**Disposal**	**Reclassification to assets held for sale**	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 1 April 2021** Balance as at 1 April 2020	**Depreciation/ amortisation expense for the period**	**On disposals**	**Transfer on reclassification to assets held for sale****	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 31 March 2021** Balance as at 31 March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
C Assets held for sale *												
Leasehold Land	**72.30**	**-**	**(27.90)**	**-**	**44.40**	**3.30**	**-**	**(1.10)**	**-**	**2.20**	**42.20**	**69.00**
	72.30	-	-	-	*72.30*	*3.30*	-	-	-	*3.30*	*69.00*	*69.00*
Freehold Land	**95.30**	**-**	**-**	**-**	**95.30**	**-**	**-**	**-**	**-**	**-**	**95.30**	**95.30**
	95.30	-	-	-	*95.30*	-	-	-	-	-	*95.30*	-
Buildings/ Premises	**274.90**	**-**	**(109.50)**	**-**	**165.40**	**35.70**	**-**	**(16.40)**	**-**	**19.30**	**146.10**	**239.20**
	281.70	*0.60*	*(7.40)*	-	*274.90*	*39.20*	-	*(3.50)*	-	*35.70*	*239.20*	-
Total assets held for sale	**442.50**	**-**	**(137.40)**	**-**	**305.10**	**39.00**	**-**	**(17.50)**	**-**	**21.50**	**283.60**	**403.50**
	449.30	*0.60*	*-7.40*	-	*442.50*	*42.50*	-	*(3.50)*	-	*39.00*	*403.50*	*69.00*

Note

**** Assets held for sale***
The Company has reclassifed certain building premises to assets held for sale in previous years as the Company has already received advances towards sale consideration for building premises. The procedural fornalities for effecting the transfer could not be completed before 30 June 2021. The sale of these assets held for sale is expected to be completed before 31 March 2022.

4D. The Group tested the goodwill on consolidation for impairment as at 30 June 2021. The Group prepared its cash flow forecasts based on the most recent financial forecasts approved by management with projected revenue growth rates ranging from 10% to 15% over a 10 year forecast period which in Management's assessment was the most appropriate period to consider given the inherent nature of the business which involves a significant initial gestation period before centres reach break-even and the growth potential in the industry that exists considering various factors including the past experience. Growth rate used for extrapolation of cash flows beyond the period covered by the forecasts is 3%. The rates used to discount the forecasted cash flows is 13.46%%. Management believes that any reasonable possible change to the discount rate or revenue growth rate could have an impact on the recoverable amount, however, Management believes the assumptions considered represent Management's best estimate as at 30 June 2021.

Particulars	**As at 30 June 2021**	As at 31 March 2021
Goodwill	**1,002.80**	1,002.80

Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*
as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

5 Other intangible assets and right-of-use assets

See accounting policy in Note 3 G

	Gross block					Accumulated depreciation and impairment losses					Net block	
A Intangible assets	**Balance as at 1 April 2021** Balance as at 1 April 2020	**Addition**	**Disposal**	**Reclassification to assets held for sale**	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 1 April 2021** Balance as at 1 April 2020	**Depreciation/ amortisation expense for the period**	**On disposals**	**Transfer on reclassification to assets held for sale****	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 31 March 2021** Balance as at 31 March 2020
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Computer software	**12.80**	**-**	**-**	**-**	**12.80**	**11.80**	**-**	**-**	**-**	**11.80**	**1.00**	**1.00**
	12.80	-	-	-	*12.80*	*11.30*	*0.50*	-	-	*11.80*	*1.00*	*1.50*
Trademark	**14.60**	**-**	**-**	**-**	**14.60**	**6.00**	**0.40**	**-**	**-**	**6.40**	**8.20**	**8.60**
	14.60	-	-	-	*14.60*	*4.50*	*1.50*	-	-	*6.00*	*8.60*	*10.10*
Total intangible assets	**27.40**	**-**	**-**	**-**	**27.40**	**17.80**	**0.40**	**-**	**-**	**18.20**	**9.20**	**9.60**
	27.40	-	-	-	*27.40*	*15.80*	*2.00*	-	-	*17.80*	*9.60*	*11.60*

	Gross block					Accumulated depreciation and impairment losses					Net block	
B Right of use assets (net off investment in sub-leases)	**Balance as at 1 April 2021** Balance as at 1 April 2020	**Recognised during the period**	**Derecognised during the period**	**Other adjustments**	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 1 April 2021** Balance as at 1 April 2020	**Depreciation/ amortisation expense for the year**	**On Derecognition**	**Impairment losses**	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 30 June 2021** Balance as at 31 March 2021	**Balance as at 31 March 2021** Balance as at 31 March 2020
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	
Leasehold Land	**157.00**	**-**	**-**	**-**	**157.00**	**6.00**	**0.70**	**-**	**-**	**6.70**	**150.30**	**151.00**
	157.00	-	-	-	*157.00*	*3.00*	*3.00*	-	-	*6.00*	*151.00*	*154.00*
Buildings	**108.60**	**12.70**	**-**	**-**	**121.30**	**34.70**	**7.90**	**-**	**-**	**42.60**	**78.70**	**73.90**
	110.70	*57.90*	*(60.00)*	-	*108.60*	*31.80*	*34.40*	*(31.50)*	-	*34.70*	*73.90*	*78.90*
Plant and machinery	**32.60**	**153.80**	**(32.60)**	**-**	**153.80**	**32.60**	**5.70**	**(32.60)**	**-**	**5.70**	**148.10**	**-**
	32.60	-	-	-	*32.60*	*18.60*	*14.00*	-	-	*32.60*	-	*14.00*
	298.20	**166.50**	**(32.60)**	**-**	**432.10**	**73.30**	**14.30**	**(32.60)**	**-**	**55.00**	**377.10**	**224.90**
	300.30	*57.90*	*-60.00*	-	*298.20*	*53.40*	*51.40*	*(31.50)*	-	*73.30*	*224.90*	*246.90*

(All amounts in Rs millions, unless otherwise stated)

	30 June 2021	31 March 2021

6 Equity accounted investees

See accounting policy in Note 2(F)(v)

Interest in associates		
Equity shares (unquoted)	**208.10**	211.00
429,185 (31 March 2020 : 429,185) equity shares of Equinox Laboratories Private Limited		
	208.10	211.00

Associates

Equinox Laboratories Private Limited (Equinox)

The Group had acquired 30% stake in Equinox Laboratories Private Limited (Equinox) vide the terms of the Share Subscirption and Shareholder's agreement and Business Transfer agreement executed on 15 December 2017 and 3 January 2018 respectively, partially by subscribing to 214,592 equity shares of Equinox in cash and partially by subscribing to 214,593 equity shares of Equinox for consideration other than cash i.e. by transfering Thyrocare Technologies Limited Water Testing Business on a slump sale basis. Equinox is domiciled in India and engaged in the business of testing and analysis of food, water and air samples.

	30 June 2021	31 March 2021
Ownership interest	**30%**	30%
Carrying amount of assets and liabilities of the associate entity as per its standalone financial statements:		
Non-current assets	**246.20**	221.50
Current assets	**51.20**	65.60
Non-current liabilities	**(15.10)**	(13.20)
Current liabilities	**(41.70)**	(23.60)
Net assets (100%)	**240.60**	250.30
Group's share of net assets (based on carrying amount as per associate's financial statements)	**72.18**	75.10
Revenue	**23.90**	92.90
Profit	**(9.60)**	(2.50)
Other comprehensive income	**-**	0.00*
Total comprehensive income	**(9.60)**	(2.50)
Group's share of Profit (30%)	**(2.90)**	(0.75)
Group's share of OCI (30%)	**-**	0.00*
Group's share of total comprehensive income	**(2.90)**	(0.75)

** amount less than Rs. 1 Lakh*

	30 June 2021	31 March 2021
Reconciliation of investments in associates		
Opening balance	**211.00**	211.70
Share of (loss)/profit	**(2.90)**	(0.70)
Share of other comprehensive income	-	-
Closing balance	**208.10**	211.00

During the period ended 30 June 2021, the Group did not receive any dividend from its associates.

The associate does not have any contingent liabilities and capital commitments as at 30 June 2021 and at 31 March 2021

(All amounts in Rs millions, unless otherwise stated)

		30 June 2021	31 March 2021
7	**Investments**		
	Current investments		
	Investments in Mutual Funds (Quoted) measured at FVTPL		
	596,157.929 units (31 March 2021 : 596,157.929 units) of ABSL Corporate Fund - Growth	**52.50**	51.70
	2,681,594.421 units (31 March 2021 : 2,681,594.421 units) of ABSL Short Term Fund - Growth - Direct	**104.70**	103.10
	12008.244 units (31 March 2021 : 12008.244 units) of Aditya Birla Sunlife Savings Fund -Direct Plan	**5.20**	5.10
	20,704.832 units (31 March 2021 : 20,704.832 units) of Axis Treasury Advantage Fund - Direct Growth	**52.00**	51.40
	428728.842 units (31 March 2021 : 428728.842 units) of HDFC Ultra Short Term Fund	**5.20**	5.10
	3473855.434 units (31 March 2021 : Nil units) of ICICI Ultra Short Term Fund - Growth	**80.40**	-
	1,022,348.239 units (31 March 2021 : 1,022,348.239 units) of Unifi Capital Fund	**209.00**	204.80
	Nil units (31 March 2021 : 272,165.84 units) of ABSL Liquid Fund - Growth - Direct	-	90.20
	Nil units (31 March 2021 : 110,477.286 units) of ABSL Low Duration Fund - Growth	-	61.00
	Nil units (31 March 2021 : 29,736.361 units) of HDFC Liquid Fund - Direct Growth	-	120.30
	Nil units (31 March 2021 : 3,820,652.296 units) of HDFC Low Duration Fund - Direct Growth	-	181.80
	Nil units (31 March 2021 : 296,094.166 units) of ICICI Prudential Liquid Fund	-	90.20
	Nil units (31 March 2021 : 191,133.461 units) of ICICI Prudential Savings Fund	-	80.20
		509.00	1,044.90
	Aggregate amount of quoted investments - At cost	**445.00**	985.00
	Aggregate amount of quoted investments - At market value	**509.00**	1,044.90
8	**Loans**		
	(unsecured, considered good unless otherwise stated)		
	A. Non-current loans and advances		
	Security deposits		
	To related parties	-	1.20
	To parties other than related parties	-	27.70
		-	28.90
	B. Current loans and advances		
	Security deposits		
	To related parties	-	0.20
	To parties other than related parties	-	5.60
	Loans and advances to employees	**0.20**	0.20
		0.20	6.00
9	**Financial assets**		
	Security deposits		
	To related parties	**1.40**	-
	To parties other than related parties	**35.70**	-
	Bank balance in deposit accounts * (with maturity period exceeding 12 months from the reporting date)	**30.80**	30.80
		67.90	30.80

** Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .*

Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*
as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

10 Recognised deferred tax assets and liabilities

A. Deferred tax assets and liabilities are attributable to the following :

	Deferred tax		Deferred tax (liabilities)		Net deferred tax assets/ (liabilities)	
	30 June 2021	31 March 2021	**30 June 2021**	31 March 2021	**30 June 2021**	31 March 2021
Property, plant and equipment/ Intangible assets/ Investment property	**-**		**(22.70)**	(27.40)	**(22.70)**	(27.40)
Intangible assets	**-**		**(1.40)**	(1.40)	**(1.40)**	(1.40)
Investments at fair value through profit or loss	**-**		**(16.40)**	(15.10)	**(16.40)**	(15.10)
Provisions - employee benefits	**36.40**	43.90	**-**	-	**36.40**	43.90
Provisions - others	**1.80**	-0.20	**-**	-	**1.80**	(0.20)
Other items	**15.40**	12.60	**-**	-	**15.40**	12.60
Net deferred tax (assets) liabilities	**53.60**	56.30	**(40.50)**	(43.90)	**13.10**	12.40

B. Movement in temporary differences

	Balance as at 1 April 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	Balance as at 31 March 2021	Balance as at 1 April 2021	Recognised in profit or loss during the period	Recognised in OCI during the period	Balance as at 30 June 2021
Property, plant and equipment/ Intangible assets/ Investment property	(55.20)	27.80	-	**(27.40)**	(27.40)	4.70	-	**(22.70)**
Intangible assets	(1.40)	-	-	**(1.40)**	(1.40)	-	-	**(1.40)**
Investments at fair value through profit or loss	(5.30)	(9.80)	-	**(15.10)**	(15.10)	(1.30)	-	**(16.40)**
Provisions - employee benefits	11.50	27.60	4.80	**43.90**	43.90	(7.00)	(0.50)	**36.40**
Provisions - others	-	(0.20)	-	**(0.20)**	(0.20)	2.00	-	**1.80**
Other items	8.70	3.90	-	**12.60**	12.60	2.80	-	**15.40**
	(41.70)	**49.30**	**4.80**	**12.40**	**12.40**	**1.20**	**(0.50)**	**13.10**

(All amounts in Rs millions, unless otherwise stated)

		30 June 2021	31 March 2021
11	**Other tax assets**		
	See accounting policy in Note 3 P		
	Advance income tax (net of provision for tax)	**137.30**	104.00
		137.30	104.00
12	**Other non-current assets**		
	Capital advances	**10.00**	10.10
	Prepaid expenses	**1.20**	0.50
	Balance with government authorities	**5.20**	5.20
	Advances for supply of goods	**16.50**	16.50
		32.90	32.30
13	**Inventories**		
	See accounting policy in Note 3 H		
	Reagents, diagnostic material and consumables	**265.30**	232.60
	Stock-in-trade (acquired for trading)	**3.90**	1.00
		269.20	233.60
14	**Trade receivables**		
	Secured, considered good	**19.70**	69.00
	Unsecured, considered good	**556.20**	398.30
	Credit impaired	**14.30**	6.10
		590.20	473.40
	Less: Allowance for Credit impaired	**(39.70)**	(26.60)
		550.50	446.80
	Trade receivables from related parties excluding allowance for Credit impaired (*refer Note 38*)	**44.10**	26.70

Trade receivable ageing schedule

Particulars	Outstanding for following period from due date of			
	Less than 6 months	6 months - 1 year	1-2 years	Total
Undisputed Trade receivables - considered good	**549.50**	**1.10**	**-**	**550.60**
	446.50	*0.30*	-	***446.80***
Undisputed Trade receivables - which have significant increase in credit risk	**25.40**	**-**	**-**	**25.40**
	16.20	-	-	***16.20***
Undisputed Trade receivables credit impaired	**-**	**2.00**	**-**	**2.00**
	-	-	-	-
Disputed Trade receivables - considered good	**-**	**12.20**	**-**	**12.20**
	-	*10.40*	-	***10.40***
Disputed Trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**
	-	-	-	-
Disputed Trade receivables credit impaired	**-**	**-**	**-**	**-**
	-	-	-	-

Figures in italic pertains to previous year.

		30 June 2021	31 March 2021
15	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	**0.60**	0.60
	Balances with banks		
	in current accounts	**448.20**	131.40
		448.80	132.00
	Other bank balances		
	in deposit accounts * (with original maturity period exceeding 3 months but maturing within 12 months from reporting date)	**25.30**	25.30
		474.10	157.30

** Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .*

Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*
as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

16 Other financial assets - current

Security deposits		
To related parties	**-**	-
To parties other than related parties	**0.30**	**-**
Other receivables	**-**	60.50
Interest accrued on deposits	**0.90**	0.20
	1.20	60.70

17 Other current assets

Advances for supply of goods and services	**36.20**	16.00
Prepaid expenses	**10.40**	12.50
	46.60	28.50

Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*
as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

18 Share capital

		30 June 2021		31 March 2021	
		Number of shares	**Amount**	Number of shares	Amount
(a)	Authorised				
	Equity shares of Rs. 10 each with equal voting rights	**10,00,00,000**	**1,000.00**	10,00,00,000	1,000.00
(b)	Issued, subscribed and paid-up				
	Equity shares of Rs. 10 each with equal voting rights	**5,28,74,419**	**528.70**	5,28,36,365	528.70
	Total	**5,28,74,419**	**528.70**	5,28,36,365	528.70

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	30 June 2021		31 March 2021	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares				
At the commencement of the period	**5,28,74,419**	**528.70**	5,28,36,365	528.40
Shares issued on exercise of employee stock options	**0**	**-**	38,054	0.30
Issued and subscribed share capital	**5,28,74,419**	**528.70**	5,28,74,419	528.70
Less: Equity shares held by Trust	**(3,048)**	**(0.00)***	(3,048)	(0.00)*
At the end of the period	**5,28,71,371**	**528.70**	5,28,71,371	528.70

** amount less than Rs. 1 Lakh*

The Group has also issued share options plan for its employees. (*see Note 35*)

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Employee stock option plan

Terms attached to stock options granted to employees are described in Note 35 regarding share-based payments.

Equity shares bought back

During the previous year ended 31 March 2019, the Company bought back 958,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018.

Particulars of shareholders holding more than 5% shares of a class of shares

	30 June 2021		31 March 2021	
	Number of shares (in 'thousands)	**% of total shares held**	Number of shares (in 'thousands)	% of total shares held
Equity shares of INR 10 each fully paid-up held by -				
Dr A Velumani	**1,48,17,675**	**28.02%**	1,48,17,675	28.04%
Thyrocare Publications LLP (formerly known as "Thyrocare Publications Private Limited")	**65,34,500**	**12.36%**	65,34,500	12.37%
Thyrocare Properties & Infrastructure Private Limited	**52,25,315**	**9.88%**	52,25,315	9.89%
Nalanda India Equity Fund Limited			38,21,394	7.23%
Arisaig Asia Consumer Fund Limited	**32,31,412**	**6.11%**	32,31,412	6.12%
A Sundararaju HUF	**24,16,540**	**4.57%**	24,16,540	4.57%

(All amounts in Rs millions, unless otherwise stated)

18 Share capital *(Continued)*

Shareholding of promoters

	30 June 2021		31 March 2021	
	Number of shares	**% of total shares held**	Number of shares	% of total shares held
Equity shares of INR 10 each fully paid-up held by -				
Dr A Velumani	**1,48,17,675**	**28.02%**	1,48,17,675	28.02%
A Sundararaju	**2,49,669**	**0.47%**	2,49,669	0.47%

Shares reserved for issue under options

		30 June 2021		31 March 2021	
		Number of shares	**Amount**	Number of shares	Amount
a.	Under Employees Stock Option Scheme, 2021 - at an exercise price of INR 10 per share (*see Note 35*)	**40,429**	**0.40**	0	-
b.	Under Employees Stock Option Scheme, 2020 - at an exercise price of INR 10 per share (*see Note 35*)	**40,429**	**0.40**	40,429	0.40
c.	Under Employees Stock Option Scheme, 2019 - at an exercise price of INR 10 per share (*see Note 35*)	**33,337**	**0.30**	33,337	0.30
d.	Under Employees Stock Option Scheme, 2018 - at an exercise price of INR 10 per share (*see Note 35*)	**31,005**	**0.30**	31,005	0.30

Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

a. Below is a summary of the equity shares alloted by the Company pursuant to various ESOP plans for consideration other than cash (except for the face value of shares that has been recovered in case:

	30 June 2021	31 March 2021
Number of shares alloted pursuant to ESOP schemes	**38,054**	38,054

b. During the years 31 March 2016 and 31 March 2015, the Company allotted 3,187,562 and 691,295 equity shares of INR 10 each fully paid up respectively, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of INR 295.95 per share to acquire 100% shares and make it a subsidiary.

c. During the previous five years, the Group has not issued any bonus shares.

19 Other equity

		30 June 2021	31 March 2021
(a)	**Capital reserve**		
	At the commencement and end of the period	**317.10**	317.10
(b)	**Securities premium**		
	At the commencement of the period	**697.10**	672.40
	Transfer on exercise of stock option	**-**	24.70
	At the end of the period	**697.10**	697.10
(c)	**Share options outstanding**		
	At the commencement of the period	**29.40**	37.30
	Employee compensation expense for the period	**3.50**	16.80
	Transfer on exercise of stock option	**-**	(24.70)
	At the end of the period	**32.90**	29.40
(d)	**General reserve**		
	At the commencement of the period	**91.70**	91.70
(e)	**Capital redemption reserve**		
	At the commencement and end of the period	**9.60**	9.60
(f)	**Retained earnings**		
	At the commencement of the period	**2,599.20**	2,010.00
	Profit for the year including other comprehensive income	**554.20**	1,117.60
	Appropriation		
	Final/ Interim dividend on equity shares	**(793.10)**	(528.40)
	At the end of the period	**2,360.30**	2,599.20
		3,508.70	3,744.10

(All amounts in Rs millions, unless otherwise stated)

19 Other equity *(Continued)*

Capital reserve
Capital Reserve represents a) amounts received in earlier years from the selling shareholder at the time of the IPO towards reimbursement of certain expenses and b) fair of the trademark "Whaters" (subsequently disposed off) assigned by Dr A Velumani in favour of the Company for no consideration.

Securities premium
Securities premium represent the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account
The group has established various equity-settled share-based payment plans for certain categories of employees of the Group. The balance in the share option outstanding account represents the expenses recorded pursuant to the aforesaid schemes for which the options are not yet vested or exercised. (*See Note 35 for further details on these plans*).

General reserve
General reserve is used to record the transfer from retained earnings of the Company. It is utilized in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve
The Company bought back 9,58,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018 and as per the provisions of the Companies Act, 2013, the Capital redemption reserve is used to record the reduction of the share capital of the Company on account of equity shares bought back out of the accumulated profits. It is created in accordance with the provisions of the Companies Act, 2013.

Dividends
The following dividends were declared and paid by the Company during the year :

	30 June 2021	31 March 2021
Interim dividend Nil (31 March 2021 : INR 10 per equity share)	**-**	528.40
Final dividend of previous financial year 31 March 2021 : INR 15 per equity share (31 March 2020 : INR Nil per equity share)	**793.10**	-

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities in the respective years. Dividends would attract dividend distribution tax when declared or paid. However, with the abolition of dividend distribution tax effective April 01, 2020, dividends will be taxable in the hands of recipient and hence Dividend Distribution Tax is not applicable.

Nil (31 March 2021 : INR 15 per equity share)	**-**	793.10

20 Lease liabilities

	30 June 2021	31 March 2021
Non-current lease liabilities	**216.40**	54.50
Current lease liabilities	**23.40**	30.40
	239.80	84.90

21 Other financial liabilities

	30 June 2021	31 March 2021
Current		
Security deposits received		
from related parties	**10.00**	-
from parties other than related parties	**126.20**	102.80
Employees dues	**61.50**	68.90
Creditors for capital goods	**18.80**	61.40
Unclaimed dividend	**1.10**	1.20
	217.60	234.30

Investor Education and Protection Fund ('IEPF') - As at 30 June 2021 (31 March 2021 : INR Nil) there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

(All amounts in Rs millions, unless otherwise stated)

		30 June 2021	31 March 2021
22	**Provisions**		
	See accounting policy in Note 3 K and 3 L		
A	**Non-current provisions**		
	Provision for employee benefits:		
	Provision for compensated absences	**70.00**	93.70
	Provision for gratuity *(refer note 34)*	**44.30**	42.10
		114.30	135.80
B	**Current provisions**		
	Provision for CSR spending	**4.90**	21.90
	Provision for employee benefits:		
	Provision for compensated absences	**13.70**	11.10
	Provision for gratuity *(refer note 34)*	**3.30**	0.90
		21.90	33.90

23 Trade payables

	30 June 2021	31 March 2021
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises and *(See Note 39 (a))*	**15.60**	5.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	**179.00**	244.80
	194.60	250.10

Trade payables ageing schedule

Particulars	Outstanding for following period from due date of			
	Less than 6 months	6 months - 1 year	1-2 years	Total
MSME	**15.50**	-	-	**15.50**
	5.30	-	-	***5.30***
Others	**179.10**	-	-	**179.10**
	244.80	-	-	***244.80***
Disputed dues - MSME	-	-	-	-
	-	-	-	-
Disputed dues - Others	-	-	-	-
	-	-	-	-

Figures in italic pertains to previous year.

24 Current tax liabilities (net)

See accounting policy in Note 3 P

	30 June 2021	31 March 2021
Provision for current tax (net of advance tax and tax deducted at source)	**140.00**	25.70
	140.00	25.70

25 Other current liabilities

	30 June 2021	31 March 2021
Contract liabilities - Advance from customers	**93.50**	86.00
Advance received towards consideration for sale of capital assets held for sale *(Refer Note 4C)*	**297.00**	272.00
Statutory dues *	**10.80**	18.60
	401.30	376.60

** Statutory dues include goods and services tax, tax deducted at source, local body tax, profession tax, employees provident fund and ESIC.*

(All amounts in Rs millions, unless otherwise stated)

		Period ended 30 June 2021	Year ended 31 March 2021
26	**Revenue from operations**		
	Sale of products (*See Note (i) below*)	**28.40**	31.50
	Sale of services (*See Note (ii) below*)	**1,589.70**	4,859.30
		1,618.10	4,890.80
	Other operating revenue	**28.40**	55.40
	Total	**1,646.50**	4,946.20
	Note:		
	(i) Sale of products comprises :		
	Manufactured goods		
	Radioactive pharmaceutical (FDG)	**5.30**	18.10
	Traded goods		
	Point of Care Testing devices and strips	**23.10**	13.40
	Total	**28.40**	31.50
	(a) Reconciliation of revenue from contracts with customers		
	Revenue from contract with customer as per the contract price	**1,659.10**	4,946.20
	Adjustments made to contract price on account of :-		
	Discount / Rebates	**(12.60)**	-
	Revenue from contract with customer	**1,646.50**	4,946.20
	(b) Movement in Contract liabilities		
	Opening Balance	**86.00**	47.30
	Revenue recognised that was included in contract liability balance at the beginning of the period	**(86.00)**	(47.30)
	Increases due to cash received, excluding amounts recognised as revenue during the period	**93.60**	86.00
	Closing Balance	**93.60**	86.00
	(ii) Sale of services comprises :		
	Diagnostic Services	**1,496.00**	4,557.70
	Sale of consumables for providing diagnostic services	**45.50**	183.80
	Imaging Services	**48.20**	117.80
	Total	**1,589.70**	4,859.30
27	**Other income**		
	Interest income (*See Note (i) below*)	**3.50**	7.90
	Net gain on investments	**14.90**	36.80
	Profit on sale of business undertaking		16.40
	Others (*See Note (ii) below*)	**86.50**	63.20
		104.90	124.30
	Note:		
	(i) Interest income comprises:		
	Interest from banks on deposits	**0.80**	5.80
	Interest on income tax refund	**-**	0.20
	Interest on deposit for electricity	**0.30**	-
	Interest on loans	**2.10**	-
	Others	**0.30**	1.90
	Total - Interest income	**3.50**	7.90
	(ii) Others comprises:		
	Profit on sale of property, plant and equipment	**80.00**	42.00
	Miscellaneous income	**6.50**	21.20
	Total - Others	**86.50**	63.20

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
28 a. Cost of materials consumed		
Opening stock	**230.20**	202.40
Add: Purchases	**559.00**	1,655.50
	789.20	1,857.90
Less: Closing stock	**265.30**	232.60
Cost of material consumed	**523.90**	1,625.30
Material consumed comprises:		
Reagents/ Diagnostics material	**389.00**	1,384.90
Radiopharmaceuticals	**2.10**	9.60
Consumables - laboratory	**23.60**	202.60
Consumables - processing	**109.20**	28.20
	523.90	1,625.30

	Period ended 30 June 2021	Year ended 31 March 2021
28 b. Purchases of stock-in-trade		
Point of Care Testing devices and strips	**18.70**	10.90
	18.70	10.90

	Period ended 30 June 2021	Year ended 31 March 2021
28 c. Changes in inventories of stock-in-trade		
Inventories at the end of the period:		
Point of Care Testing devices and strips	**3.90**	1.00
	3.90	1.00
Inventories at the beginning of the period:		
Point of Care Testing devices and strips	**3.50**	3.80
	3.50	3.80
Net change	**(0.40)**	2.80

	Period ended 30 June 2021	Year ended 31 March 2021
29 Employee benefits expense		
Salaries, wages and bonus	**117.20**	459.20
Contributions to provident and other funds	**10.10**	37.00
Employees stock compensation expense	**3.50**	16.80
Gratuity	**3.20**	5.20
Compensated absences	**-**	40.10
Staff welfare expenses	**5.10**	22.40
	139.10	580.70

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
30 Other expenses		
Outlab processing	**3.30**	12.00
Power and fuel and water	**22.60**	76.40
Rent	**2.40**	8.40
Repairs and maintenance - Buildings	**4.10**	20.70
Repairs and maintenance - Machinery	**15.90**	63.60
Repairs and maintenance - Others	**0.10**	0.30
Insurance	**0.30**	0.90
Rates and taxes	**2.90**	21.30
Communication	**3.40**	10.50
Service charges	**91.10**	343.60
Postage and courier	**11.20**	25.50
Printing and stationery	**7.00**	19.40
Sales incentive	**35.40**	182.30
Advertisement expenses	**1.00**	39.90
Business promotion	**5.00**	16.70
Legal and professional fees	**24.70**	92.00
Payments to the auditors *(See note (i) below)*	**1.40**	4.60
Loss on foreign exchange fluctuation (net)	**-**	1.40
Provision for doubtful debts	**13.10**	4.30
Corporate social responsibility expense	**-**	44.70
Share issue expenses	**-**	0.20
Miscellaneous expenses	**8.00**	25.20
	252.90	1,013.90

Notes:

	Period ended 30 June 2021	Year ended 31 March 2021
(i) Payments to the auditors comprises *		
Statutory audit and limited review fees	**0.90**	4.40
Tax audit fees	**-**	0.20
Reimbursement of out of pocket expenses	**0.50**	0.00*
[Payment to auditors is inclusive of GST, as applicable]		
	1.40	4.60

** amount less than Rs. 1 Lakh*

31 Income tax

See accounting policy in Note 3 P

	Period ended 30 June 2021	Year ended 31 March 2021
A. Amount recognised in profit or loss		
Current tax		
Current period (a)	**180.60**	441.40
Changes in estimates related to prior periods (b)	**-**	1.10
Deferred tax (c)		
Attirbutable to -		
Origination and reversal of temporary differences	**(1.20)**	(49.30)
Tax expense (a)+(b)+(c)	**179.40**	393.20
B. Amount recognised in other comprehensive income		
Re-measurement gains/ (losses) on defined benefit plans	**(0.50)**	(4.80)
Tax expense in other comprehensive income	**(0.50)**	(4.80)

C. Reconciliation of effective tax rate

	Period ended 30 June 2021		Period ended 31 March 2021	
Profit before exceptional items, share of profit of associate and tax	**738.10**		1,525.40	
Tax using the Group's domestic tax rate	**189.14**	**25.63%**	383.91	25.17%
Effect of :				
Non-deductible expenses (net)	**11.70**	**1.6%**	3.68	0.2%
Others	**(21.92)**	**-3.0%**	0.80	0.1%
Effective tax rate	**178.93**	**24.2%**	388.40	25.5%

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
32 Earnings per share		
(i) Basic		
Net profit for the period attributable to equity shareholders	**555.80**	1,131.50
Weighted average number of equity shares outstanding during the period	**5,28,74,419**	5,28,50,753
Face value per share Rs.	**10**	10
Earnings per share - Basic (Rs.)	**10.51**	21.41
(ii) Diluted		
Net profit for the period attributable to equity shareholders	**555.80**	1,131.50
Weighted average number of equity shares for Basic EPS	**5,28,74,419**	5,28,50,753
Add: Equity shares reserved for issuance on ESOP	**1,39,247**	1,03,054
Weighted average number of equity shares - for diluted EPS	**5,30,13,666**	5,29,53,807
Face value per share Rs.	**10**	10
Earnings per share - Diluted (Rs.)	**10.48**	21.37

(All amounts in Rs millions, unless otherwise stated)

33 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments :

Reportable segments	Operations
Diagnostic Testing Services	Diagnostic and testing services, selling of consumables used for collection and promotion of pathology segment
Imaging Services	Diagnostic and imaging services, selling of radio-pharmaceutical, selling of consumables for reporting
Others: Sale of testing equipment and consumables	Selling of glucometer and glucostrips under the brand name *Sugarscan*

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group operates from its centralised laboratory, regional processing laboratories, medical cyclotron facility, PET-CT centres and corporate office in India and therefore does not have much of its operations in economic environments with different risks and returns, hence considering its operation from single geographical segment, the Company has not recognised geographical segment as its secondary segment for reporting.

	Reportable segments			Total
	Diagnostic Testing Services	Imaging Services	Others	
Segment revenue	**1,569.40**	**53.90**	**23.10**	**1,646.40**
	4,728.70	*204.10*	*13.40*	*4,946.20*
Segment profit (loss) before income tax	**643.00**	**(8.50)**	**4.80**	**639.30**
	1,493.00	*(90.30)*	*0.80*	*1,403.50*
Unallocable income net off other unallocable expenditure				**98.60**
				121.90
Profit before exceptional items and income tax				**737.90**
				1,525.40
Exceptional items				**(2.90)**
				(0.70)
Segment assets	**2,461.50**	**747.70**	**4.30**	**3,213.50**
	2,065.50	*920.80*	*1.00*	*2,987.30*
Unallocable assets (includes assets held for sale)				**2,193.80**
				2,470.70
Total assets				**5,407.30**
				5,458.00
Segment liabilities	**812.10**	**377.40**	**-**	**1,189.50**
	766.60	*349.40*	*0.60*	*1,116.60*
Unallocable liabilities				**140.00**
				49.40
Total liabilities				**1,329.50**
				1,166.00
Other information				
Capital expenditure (allocable)	**140.60**	**0.10**	**-**	**140.70**
	391.00	*0.70*	*-*	*391.70*

The testing and imaging services to patients and sale of pharmaceuticals to customers are primarily in India and hence information about geographical areas of the operations was not disclosed seperately by the Group.

(All amounts in Rs millions, unless otherwise stated

34 Employee benefits

A. Defined contribution plans

The Group makes Provident Fund, ESIC and Maharashtra Labour Welfare Fund contributions to 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 Group recognised Rs. 8.00 millions (31 March 2021 : Rs. 29.90 millions) for Provident Fund contributions and Rs. 2.00 millions (31 March 2021 : INR 6.60 millions) for ESIC contributions in the Statement of Profit and Loss during the year (*See note 29*). The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The Group does not expect any further liability other than the specified contributions.

B. Defined benefit plans

The Group offers the following employee benefit schemes to its employees :
- Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	30 June 2021	31 March 2021
a. Components of defined benefit plan expense		
i. Expenses recognised in profit or loss		
Current service cost	**2.00**	3.80
Interest cost	**0.70**	1.30
Total expense recognised in the Statement of Profit and Loss	**2.70**	5.11
ii. Expenses recognised in other comprehensive income		
Actuarial (gain) loss on defined benefit obligations	**2.10**	18.70
Total expense recognised in other comprehensive income	**2.10**	18.70
b. Net asset / (liability) recognised in the Balance Sheet		
Present value of unfunded obligation	**(47.60)**	(43.00)
Net asset / (liability) recognised in the Balance Sheet	**(47.60)**	(43.00)
Net asset/ (liability) is bifurcated as follows :		
Current	**(3.30)**	(0.90)
Non Current	**(44.30)**	(42.10)
Net asset / (liability) recognised in the Balance Sheet	**(47.60)**	(43.00)
c. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the period	**43.00**	19.70
Current service cost	**2.00**	3.90
Interest cost	**0.70**	1.30
Actuarial (gains) / losses	**2.20**	18.70
Benefits paid	**(0.30)**	(0.60)
Present value of DBO at the end of the year	**47.60**	43.00
d. Actuarial assumptions		
Discount rate	**6.47%**	6.44%
Salary escalation	**4% p.a. for next 1 year, 9% p.a. for the year thereafter, 10% p.a. for all years thereafter**	4% p.a. for next 1 year, 9% p.a. for the year thereafter, 10% p.a. for all years thereafter
Rate of employee turnover	**Employees : For service 2 yrs. & below 35% p.a., For service 3 yrs. to 4 yrs. 20% p.a. & thereafter 2% p.a.**	Employees : For service 2 yrs. & below 35% p.a., For service 3 yrs. to 4 yrs. 20% p.a. & thereafter 2% p.a. Directors : 1% p.a.
Mortality rate during employment	**Indian Assured Lives Mortality (2012-14) Urban**	Indian Assured Lives Mortality (2006-08)

(All amounts in Rs millions, unless otherwise stated

35 Share-based payments

See accounting policy in Note 3 K

A. Description of share-based payment arrangements

During the year, the Company has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2021” (ESOS2021) vide authorisation of shareholders in the annual general meeting held on 26 June 2021. The options may be exercised either fully or partially in four equal instalments.
The employees were identified as those who had completed two years of service as on the date of sanction of the scheme, subject to their continuous service till the vesting period.

During the earlier years, the Company had offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2020” (ESOS2020), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2019” (ESOS2019), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2018” (ESOS2018), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2017” (ESOS2017), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016” (ESOS2016) and “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015” (ESOS2015) vide authorisation of shareholders in their meetings held on 29 September 2020, 24 August 2019, 1 September 2018, 12 August 2017, 12 September 2016 and 26 September 2015 respectively. Under the respective scheme, the options may be exercised either fully or partially in four equal instalments. The employees were identified as those who had completed certain years of service subject to their continuous service till the vesting period.

Additionally, the Company formed a trust, 'Thyrocare Employee Stock Option Trust' wherein the shares to be issued under these options were allotted to the Trust. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left the organisation.

The key details of the various schemes are as under:

Scheme	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
ESOS2021	Saturday, June 26, 2021	40,429	3 years	One year from vesting date	10	10
ESOS2020	Tuesday, September 29, 2020	40,429	3 years	One year from vesting date	10	10
ESOS2019	Saturday, August 24, 2019	40,429	3 years	One year from vesting date	10	10
ESOS2018	Saturday, September 1, 2018	40,452	3 years	One year from vesting date	10	10
ESOS2017	Saturday, August 12, 2017	50,516	3 years	One year from vesting date	10	10
ESOS2016	Monday, September 12, 2016	50,537	3 years	One year from vesting date	10	10

(All amounts in Rs millions, unless otherwise stated

35 Share-based payments *(Continued)*

B. Employee stock option activity under the respective schemes is as follows:

Scheme	30 June 2021 No of Options	31 March 2021 No of Options
ESOS2021		
Outstanding at 1 April	-	-
Granted during the period	40,429	-
Outstanding at the end of the period	**40,429**	-
ESOS2020		
Outstanding at 1 April	40,429	-
Forfeited during the period	(3,321)	40,429
Outstanding at the end of the period	**37,108**	40,429
ESOS2019		
Outstanding at 1 April	33,084	37,189
Forfeited during the period	(1,383)	(4,105)
Outstanding at the end of the period	**31,701**	33,084
ESOS2018		
Outstanding at 1 April	30,847	34,270
Forfeited during the period	(1,204)	(3,423)
Outstanding at the end of the period	**29,643**	30,847
ESOS2017		
Outstanding at 1 April	-	39,880
Forfeited during the period	-	(1,826)
Exercised during the year		(38,054)
Outstanding at the end of the period	-	-

C. The key assumptions used to estimate the fair value of options are:

	30 June 2021	31 March 2021
Volatility	**21.65%**	21.65%
Expected life	**3.50 years**	3.50 years
Dividend Yield	**1.50%**	1.50%
Risk-free interest rate (based on government bonds)	**7.85%**	7.85%
Model Used	**Black-Scholes-Merton Formula**	Black-Scholes-Merton Formula

The expense arising from equity settled share based payment transaction amounting to Rs. 3.50 millions for the period ended 30 June 2021 (Rs. 17.00 millions for the year ended 31 March 2021), have been recognised in the Statement of profit and loss.

Fair Value of the option as at the grant date

Plan	Grant date	Fair value in INR
ESOS2021	Saturday, June 26, 2021	1,349.18
ESOS2020	Tuesday, September 29, 2020	758.00
ESOS2019	Saturday, August 24, 2019	448.83
ESOS2018	Saturday, September 1, 2018	632.88
ESOS2017	Saturday, August 12, 2017	653.35
ESOS2016	Monday, September 12, 2016	577.04

Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)
for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

36 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

30 June 2021	*Note*	Carrying amount FVTPL	FVOCI	Amortised cost	Total carrying amount
Financial assets					
Investments	**7**	**509.00**	**-**	**-**	**509.00**
		1,044.90	*-*	*-*	*1,044.90*
Loans	**8**	**-**	**-**	**0.20**	**0.20**
		-	*-*	*6.00*	*6.00*
Trade receivables	**14**	**-**	**-**	**550.50**	**550.50**
		-	*-*	*446.80*	*446.80*
Cash and cash equivalents	**15**	**-**	**-**	**448.80**	**448.80**
		-	*-*	*132.00*	*132.00*
Other bank balances	**15**	**-**	**-**	**25.30**	**25.30**
		-	*-*	*25.30*	*25.30*
Others	**9,16**	**-**	**-**	**69.10**	**69.10**
		-	*-*	*120.40*	*120.40*
		509.00	**-**	**1,093.90**	**1,602.89**
		1,044.90	*-*	*730.50*	*1,775.39*
Financial liabilities					
Other financial liabilities	**21B**	**-**	**-**	**217.60**	**217.60**
		-	*-*	*234.30*	*234.30*
Trade payables	**23**	**-**	**-**	**194.60**	**194.60**
		-	*-*	*250.10*	*250.10*
		-	**-**	**412.20**	**412.20**
		-	*-*	*484.40*	*484.40*

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of investment in mutual funds is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
- The fair value of the quoted investments/units of mutual fund scheme are based on net asset value at the reporting date as published by the mutual fund.

(All amounts in Rs millions, unless otherwise stated)

36 Financial instruments - Fair values and risk management (continued)

The following table provides the fair value measurement hierarchy of the Company's financial instruments which are measured at fair value:

	30 June 2021			31 March 2021		
	Total	**Quoted prices in active markets (Level 1)**	**Level 3**	Total	Quoted prices in active markets (Level 1)	Level 3
Security Deposits	**22.30**	**-**	**22.30**	20.80	-	20.80
Investment in Mutual funds (Refer Note 7)	**509.00**	**509.00**	**-**	1,044.90	1,044.90	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed seperately.

	30 June 2021	31 March 2021
Opening balance	**20.80**	12.50
Additions during the period	**1.60**	13.10
Deletions during the period	**-**	(4.30)
Fair value movement	**(0.10)**	(0.50)
Closing balance	**22.30**	20.80

One percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument.
There have been no transfers among Level 1, Level 2 and Level 3 during the period ended 30 June 2021 and for the year ended 31 March 2021

Description of significant unobservable inputs to valuation:

Name of financial asset	Security deposit
Valuation technique	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets.
Significant unobservable inputs	Discount rate

(All amounts in Rs millions, unless otherwise stated)

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- credit risk (see (C) (i));
- liquidity risk (see (C) (ii));
- market risk (see (C) (iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.
The Group has no significant concentration of credit risk with any counterparty.

Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.
The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the management.

Security deposits

These represents security deposits given towards laboratories taken on lease under contractual arrangement EMD deposit for participation in tender.

The Group limits its exposure to credit risk from trade receivables by establishing a credit limit that is linked to either category of the customer or the security deposits paid by the customer to avail the services.
In monitoring customer credit risk, customers are compared according to their credit characteristics, including whether they are individuals or legal entities, their geographic locations, industry, trading history with the Group and existence of previous financial difficulties, if any.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

	Carrying amount	
	30 June 2021	31 March 2021
Trade receivables (net of provision for doubtful debts)		
India	**506.40**	418.50
Other regions	**44.10**	28.30
	550.50	446.80

Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)
for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management *(continued)*

Expected credit loss (ECL) assessment for individual customers as at 30 June 2021 and as at 31 March 2021

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.
At 30 June 2021 and at 31 March 2021, the ageing of trade receivables net of provision for doubtful debts was as follows.

	Service providers and projects		Government		Others	
	30 June 2021	31 March 2021	**30 June 2021**	31 March 2021	**30 June 2021**	31 March 2021
0-30 days past due	**87.30**	35.60	**217.70**	324.70	**35.80**	20.60
31-60 days past due	**35.10**	28.60	**23.30**	1.60	**8.30**	-
61-90 days past due	**20.10**	9.60	**22.40**	4.00	-	-
91-180 days past due	**23.40**	9.30	**63.20**	3.20	**1.10**	9.60
More than 180 days past due	**10.80**	-	**2.00**	-	-	-
	176.70	83.10	**328.60**	333.50	**45.20**	30.20

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk
The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount as on **30 June 2021** *31 March 2021*	Total	upto 1 year	more than 1 year
Non-derivative financial liabilities				
Trade payables	**194.60**	**194.60**	194.60	-
	250.10	*250.10*	*250.10*	-
Lease Liabilities	**239.80**	**239.80**	23.40	216.40
	84.90	*84.90*	*30.40*	*54.50*
Other financial liabilities	**217.60**	**217.60**	217.60	-
	234.30	*234.30*	*234.30*	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Group. The functional currency for large number of transactions of the Group is INR and majority of the customers the Group dealt with operate from India only. The Group receives more than 98% of its revenue from the domestic operations only.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows.

Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)
for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management *(continued)*

	INR		USD
Trade receivables	**44.10**	**$**	**0.60**
	57.90	*$*	*0.80*
Trade payables	**21.20**	**$**	**0.30**
	9.30	*$*	*0.10*
Net exposure in respect of recognized assets and liabilities	**22.90**	**$**	**0.30**
	48.60		*0.70*

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR or US dollar at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
	Strengthening	**Weakening**
30 June 2021		
31 March 2021		
INR (10% movement)	**2.29**	**-2.29**
	4.86	*-4.86*

(All amounts in Rs millions, unless otherwise stated)

37 Contingent liabilities and commitments (to the extent not provided for)

		30 June 2021	31 March 2021
	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
a.	Income tax demands - TDS matter	**492.30**	492.20
b.	Other income tax matters	**6.60**	10.90
c.	Employees provident fund matter	**5.20**	5.20

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

		30 June 2021	31 March 2021
Commitments			
a	Commitments relating to long term arrangement with vendors (*see note (i)*)	**1,025.70**	789.80

i The Group has entered into Reagent Rental Arrangements for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments for the remaining number of years are INR 1025.70 million (31 March 2021 : INR 789.80 million) of which annual commitment for next financial year is INR 313.20 million (31 March 2021 : INR 367.80 million) crore as per the terms of these arrangements.

(All amounts in Rs millions, unless otherwise stated)

38 Related parties

Description of relationship	Names of related parties
Associates	Equinox Labs Private Limited (From 28 March 2018)
	Thyrocare International Holding Company Limited, Mauritius (liquidated during the year ended 31 March 2020)
Enterprise over which directors and their relatives exercise control or influence, where transactions have taken place during the year	Thyrocare Gulf Laboratories WLL
	Sumathi Healthcare Private Limited (Previously known as Sumathi Construction Private Limited)
	Pavilion Commercial Private Limited
	Sumathi Infra Project LLP
	Mahima Advertising LLP
	Thyrocare Publications LLP
	Thyrocare Properties & Infrastructure Private Limited
	Sumathi Memorial Trust
Key Management Personnel (KMP)	Dr A Velumani, Managing Director
	A Sundararaju, Director
	Anand Velumani, Director
	Amruta Velumani, Director
Relatives of KMP	Dr A Velumani HUF (HUF in which Dr A Velumani is Karta)
	A Sundararaju HUF (HUF in which A Sundararaju is Karta)
	S Susila (sister of Dr A Velumani)

B. Transactions with key management personnel

i. Key management personnel compensation

	Period ended	Year ended	**Balance outstanding**	
	30 June 2021	31 March 2021	**30 June 2021**	31 March 2021
Dr A Velumani	**0.00***	0.00*	**-**	0.00*
A Sundararaju	**1.50**	5.50	**0.40**	-
	1.50	5.50	**0.40**	-

** Amount less than Rs. 1 lakh*

As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included.

ii. Transactions with key management personnel including directors

	Period ended	Year ended	**Balance outstanding**	
	30 June 2021	31 March 2021	**30 June 2021**	31 March 2021
Dividend paid				
Dr A Velumani	**222.30**	148.20	**-**	-
A Sundararaju	**3.70**	2.50	**-**	-
Amruta Velumani	**11.30**	7.50	**-**	-

Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)
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(All amounts in Rs millions, unless otherwise stated)

38 Related parties *(Continued)*

C. Related party transaction other than those with key management personnel

	Period ended 30 June 2021	Year ended 31 March 2021	Balance outstanding 30 June 2021	Balance outstanding 31 March 2021
Material sale				
Sumathi Healthcare Private Limited	**0.40**	1.60	**-**	-
Payment of lease liabilities				
Sumathi Healthcare Private Limited	**1.60**	4.10	**-**	3.50
Revenue from operations				
Thyrocare Gulf Laboratories WLL	**0.70**	8.30	**-**	10.10
Sumathi Memorial Trust *(refer note)*	**-**	3.20	**0.80**	1.80
Loan Repaid				
Pavilion Commercial Private Limited	**-**	25.00	**-**	-
Interest paid				
Pavilion Commercial Private Limited	**-**	1.40	**-**	-
Testing charges paid/ payable				
Equinox Labs Private Limited	**-**	0.00*		0.30
Sumathi Healthcare Private Limited	**7.60**	15.10	**0.50**	-
Provision for doubtful trade receivables				
Thyrocare Gulf Laboratories WLL	**-**	-	**6.50**	22.70
Reimbursement of expenses paid				
Thyrocare Gulf Laboratories WLL	**-**	0.10	**-**	-
Sumathi Healthcare Private Limited	**0.80**	3.40	**10.60**	-
Reimbursement of expenses received				
Thyrocare Gulf Laboratories WLL	**0.10**		**-**	
Sumathi Healthcare Private Limited	**-**	2.90	**-**	0.80
Technical assistance fees income				
Thyrocare Gulf Laboratories WLL	**7.60**	21.70	**30.50**	26.00
Sale of property, plant and equipment, addition to capital work-in-progress				
Thyrocare Gulf Laboratories WLL	**3.00**	1.80	**3.00**	**-**
Dividend paid				
Anand Velumani	**9.50**	6.30	**-**	-
Dr A Velumani HUF	**22.50**	14.90	**-**	-
A Sundararaju HUF	**36.20**	24.20	**-**	-
Sumathi Infra Project LLP	**23.60**	15.80	**-**	-
Mahima Advertising LLP	**18.90**	12.60	**-**	-
Thyrocare Properties & Infrastructure Private Limited	**78.40**	52.20	**-**	-
Thyrocare Publications LLP	**98.00**	65.30	**-**	**-**
Pavilion Commercial Private Limited	**0.20**	0.10	**-**	-
Advances received towards sale of property				
Sumathi Healthcare Private Limited	**47.00**	-	**297.00**	250.00
Investment in equity instruments (At historical cost)				
Equinox Labs Private Limited	**-**	-	**200.00**	200.00
Security deposits given/ (repaid)				
Sumathi Healthcare Private Limited	**-**	-	**1.40**	1.40

Notes :

i. The key management personnel, or their related parties, hold position in other entities that result in them having control or significant influence over these entities. These entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were at arm's length and in the normal course of the business.

ii. Sumathi Memorial Trust, a charitable trust managed by the promoters of the Company as trustees, in tie up with other NGO subsidised the cost of PETCT scans for the cancer patients who can not afford the cost of the PETCT scan, by direct payment to the Company towards PETCT scans of such cancer patients.

(All amounts in Rs millions, unless otherwise stated)

39 Additional information to the Special Purpose Interim Ind AS consolidated financial statements

a. Due to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 are set out in following disclosure. This has been relied upon by the auditors.

		30 June 2021	31 March 2021
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**15.60**	5.30
(ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

b. The Group's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Group's international transactions and domestic transactions with related parties post 31 March 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

c. Details of interests in subsidiaries and associates

Subsidiaries

The details of the Company's subsidiaries at 30 June 2021 and at 31 March 2021 is set below.
The country of incorporation is also the principal place of business.

Name of entity	**Country of Incorporation**	**Shareholding % As on 30 June 2021**	Shareholding % As on 31 March 2021
Nueclear Healthcare Limited	India	**100%**	100%

Associates

The details of the Company's associates at 30 June 2021 is set below.
The country of incorporation is also the principal place of business.

Name of entity	**Country of Incorporation**	**Shareholding % As on 30 June 2021**	Shareholding % As on 31 March 2021
Equinox Labs Private Limited	India	**30%**	30%

Thyrocare International Holding Company was liquidated during the current year and the Company has received the liquidation proceeds during the current year.

d. Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013.

Name of the enterprises	**Net assets i.e total assets minus total liabilities**		**Share in profit or loss**	
	As (%) of consolidated net assets	**Amount**	**As (%) of consolidated profit and loss**	**Amount**
Parent group				
Thyrocare Technologies Limited	102.74%	4,148.10	87.03%	483.70
Subsidiary				
Nueclear Healthcare Limited	12.67%	511.50	13.82%	76.80
Eliminations	-15.41%	(622.20)	-0.85%	(4.70)
	100.00%	**4,037.40**	**100.00%**	**555.80**

(All amounts in Rs millions, unless otherwise stated)

39 Additional information to the Special Purpose Interim Ind AS consolidated financial statements *(continued)*

e. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

f.	***Financial Ratios***	**Period Ended 30 June 2021**	Year Ended 31 March 2021	*Remarks*
(i)	Current Ratio	**2.14**	2.50	*Current Assets / Current liabilities*
(ii)	Debt-Equity Ratio	**1.34**	1.28	*Total liabilities/ Total shareholder's equity*
(iii)	Debt Service Coverage Ratio	**NA**	NA	
(iv)	Return on Equity Ratio	**0.14**	0.26	*Profit after tax/ Shareholder's equity*
(v)	Inventory Turnover Ratio	**42**	28	*(Average inventory/ COGS)*No of days*
(vi)	Trade Receivables Turnover Ratio	**30**	33	*(Trade receivables/ Revenue from*
(vii)	Trade Payables Turnover Ratio	**22**	34	*(Trade payables/ COGS plus other expenses)*No of days*
(viii)	Net Capital Turnover Ratio	**0.41**	1.16	*Total sales/ Shareholder's equity*
(ix)	Net Profit Ratio	**0.34**	0.23	*Net profit after tax/ Revenue from operations*
(x)	Return On Capital Employed	**0.18**	0.36	*EBIT/ Capital employed*
(xi)	Return on Investment	**0.14**	0.06	*Returns from current investment/ cost of investm*

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
CIN - L85110MH2000PLC123882

Vaijayantimala Belsare
Partner
Membership No: 049902

Dhaval Shah
Director
DIN - 07485688

Dharmil Sheth
Director
DIN - 06999772

Mumbai, 27 October 2021

Ramjee D
Company Secretary
Membership No - F2966
Navi Mumbai, 27 October 2021

INDEPENDENT AUDITORS' REPORT

To the Members of
Thyrocare Technologies Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Thyrocare Technologies Limited (hereinafter referred to as the 'Holding Company") and its subsidiary including Trust, (Holding Company and its subsidiary including Trust together referred to as "the Group"), and its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors’ Report *(Continued)*

Thyrocare Technologies Limited

Key Audit Matters *(Continued)*

Description of Key Audit Matter

The key audit matter	**How the matter was addressed in our audit**
Impairment testing of goodwill **Refer note 2D, 3E and 4D of consolidated financial statement**	
The consolidated balance sheet of the Group includes goodwill that has arisen as a result of a past acquisition of a subsidiary company in the Group, Nueclear Healthcare Limited (‘NHL’). Group is required to test goodwill for impairment annually, or more frequently when there is an indication, the cash generating unit to which goodwill has been allocated may be impaired. The process of annual impairment testing of goodwill involves estimating the recoverable value of the cash generating unit (CGU) using Discounted Cash flow model (DCF) and comparing it with the carrying value of the CGU. The valuation process is complex and involves significant judgment in considering various forward-looking assumptions and estimates. There is inherent uncertainty involved in forecasting and discounting future cashflows, including the possible effects of COVID-19 pandemic, which are the basis of the assessment of recoverability. Considering the complexities, the magnitude of potential impact and the judgement involved, we have identified impairment testing of goodwill as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: ▪ Assessed Group’s evaluation of identification of cash generating units and allocation of goodwill to the respective CGUs; ▪ Obtained the Group’s assessment of the recoverable value of the CGU basis the valuation prepared by Group and assumptions used to determine the recoverable value; ▪ Tested the arithmetical accuracy of the cash flow projections and impairment assessment made by the Group; ▪ Involved valuation specialist to test the appropriateness of the valuation model and the critical judgements made by the Group; ▪ Assessed and challenged the Group’s assumptions used in impairment analysis, such as projected EBITDA and revenue growth rate, terminal growth rate and discount rate, including considering impact of Covid-19 by: - comparing the same to externally derived data and industry comparators, where available; - performing sensitivity analysis around the key assumptions including forecasted revenue, costs, discount rates, etc., to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis; - Assessing the accuracy of prior period forecasts of the CGU with the actual financial performance; This was based on our knowledge of the Group and the markets in which the CGU operates.; ▪ Evaluated impairment assessment of goodwill performed by the Group; ▪ Assessed the adequacy of disclosures in the consolidated financial statements.

Key Audit Matters *(Continued)*

Description of Key Audit Matter (Continued)

The key audit matter	How the matter was addressed in out audit
Recognition of revenue from sale of testing services **See note 2D, 3M and 26 to the consolidated financial statements**	
One of the streams of revenue Group earns is from sale of testing services. Revenue from sale of testing services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests. We have identified recognition of revenue from sale of testing services as a key audit matter because revenue is a key performance indicator. In addition, there is a risk that revenue could be recognized at a time which is different from transfer of control due to pressure to achieve performance targets and meeting external expectations at the year end.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: ▪ Obtained an understanding of the systems, processes and controls implemented by the Company and evaluated the design and implementation of internal controls for measuring and recording revenue; ▪ Tested the design, implementation and operating effectiveness of the Company's key general Information Technology (IT) controls, key IT applications/ manual controls including testing of controls relating to timing of revenue recognition, by involving IT specialists. This includes access controls, program change controls, program development controls and IT operation controls; ▪ For selected samples of transactions (using statistical sampling), we inspected when the testing samples are processed for requisitioned diagnostic tests and matched it with the timing of recognition of revenue; ▪ Tested the reconciliation of revenue recorded as per the billing system to the revenue recorded as per the accounting system; ▪ Performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year (and before and after the financial year end) and traced to the underlying documentation; ▪ Assessed manual journals posted to revenue to identify unusual items; ▪ Assessed the adequacy of disclosures in respect of revenue in the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate, are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate, is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditors' Report *(Continued)*

Thyrocare Technologies Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements ***(Continued)***

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The financial information of a Trust (Thyrocare ESOP Trust) whose financial information reflect total assets of Rs. 0.00 crore* as at 31 March 2021, total revenues of Rs. NIL and net cash flows amounting to Rs. NIL for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 0.07 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of its associate, whose financial statements have not been audited by us or by other auditors. These financial information/financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Trust and its associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid Trust and associate, is based solely on such financial information/financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

* less than Rs. 1 lakh

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such associate as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and subsidiary and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary and associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the associate, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 37 to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

Report on Other Legal and Regulatory Requirements *(Continued)*

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company or associate incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Audit Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such associate company incorporated in India which not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Amar Sunder
Partner
Membership No. 078305
ICAI UDIN: 21078305AAAAAX8360

Mumbai
8 May 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Thyrocare Technologies Limited for the year ended 31 March 2021

Report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Thyrocare Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021 we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiaries and its associate, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Thyrocare Technologies Limited

Annexure A to the Independent Auditor's report on the consolidated financial statements of Thyrocare Technologies Limited for the year ended 31 March 2021 *(Continued)*

Auditor's Responsibility *(Continued)*

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Thyrocare Technologies Limited

Annexure A to the Independent Auditor’s report on the consolidated financial statements of Thyrocare Technologies Limited for the year ended 31 March 2021 *(Continued)*

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Amar Sunder
Partner
Membership No. 078305
ICAI UDIN: 21078305AAAAAX8360

Mumbai
8 May 2021

Thyrocare Technologies Limited

Consolidated Balance Sheet

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Note	31 March 2021	31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	4	**129.31**	142.96
Capital work-in-progress	4	**8.28**	4.93
Goodwill	4D	**100.28**	100.28
Other intangible assets	5A	**0.97**	1.16
Right-of-use assets	5B	**22.49**	24.69
Equity accounted investees	6	**21.10**	21.17
Financial assets			
Loans	8	**2.89**	4.26
Other financial assets	9	**3.08**	2.82
Deferred tax assets	10	**5.63**	2.03
Other tax assets	11	**10.40**	9.43
Other non-current assets	12	**3.23**	4.90
Total non-current assets		**307.66**	318.63
Current assets			
Inventories	13	**23.36**	20.62
Financial assets			
Investments	7	**104.49**	69.03
Trade receivables	14	**44.68**	16.30
Cash and cash equivalents	15	**13.20**	8.71
Other bank balances	15	**2.53**	2.36
Loans	8	**0.60**	0.66
Other financial assets	16	**6.07**	0.04
Other current assets	17	**2.84**	3.13
Assets held for sale	4	**40.36**	31.14
Total current assets		**238.13**	151.99
Total assets		**545.80**	470.63
Equity and liabilities			
Equity			
Equity share capital	18	**52.87**	52.84
Other equity	19	**374.41**	313.81
Equity attributable to owners of the Company		**427.28**	366.65
Non-controlling interests		**-**	-
Total equity		**427.28**	366.65
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	**-**	2.50
Lease liabilities	21A	**5.45**	5.69
Provisions	22A	**13.58**	8.16
Deferred tax liabilites	10	**4.39**	6.19
Total non-current liabilities		**23.42**	22.54
Current liabilities			
Financial liabilities			
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises and		**0.53**	0.70
- total outstanding dues of creditors other than micro enterprises and small enterprises		**24.48**	21.16
Lease liabilities	21A	**3.04**	4.25
Other financial liabilities	21B	**23.43**	22.18
Current tax liabilities (net)	24	**2.57**	0.75
Provisions	22B	**3.39**	1.01
Other current liabilities	25	**37.66**	31.64
Total current liabilities		**95.10**	81.69
Total equity and liabilities		**545.80**	470.88
Significant accounting policies	2-3		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
CIN - L85110MH2000PLC123882

Amar Sunder
Partner
Membership No: 078305

Dr. A Velumani
Managing Director
DIN - 00002804

A Sundararaju
Director and Chief Financial Officer
DIN - 00003260

Ramjee D
Company Secretary
Membership No - F2966
8 May 2021

Mumbai
8 May 2021

Thyrocare Technologies Limited

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Note	**Year ended 31 March 2021**	Year ended 31 March 2020
Revenue from operations	*26*	**494.62**	434.26
Other income	*27*	**12.43**	6.67
Total income		**507.05**	440.93
Expenses			
Cost of materials consumed	*28a.*	**162.53**	114.92
Purchases of stock-in-trade	*28b.*	**1.09**	2.25
Changes in inventories of stock-in-trade	*28c.*	**0.28**	(0.08)
Employee benefits expense	*29*	**58.07**	48.92
Finance cost		**0.87**	1.85
Depreciation and amortisation expense	*4,5*	**30.28**	31.91
Other expenses	*30*	**101.39**	94.68
Total expenses		**354.51**	294.45
Profit before share of profit of associate, exceptional items and tax		**152.54**	146.48
Share of (loss)/ profit of associate	*6*	**(0.07)**	0.51
Profit before exceptional items and tax		**152.47**	146.99
Exceptional items	*39e.*		
Impairment of Goodwill		-	(6.58)
Profit before tax		**152.47**	140.41
Tax expense:	*31*		
Current tax		**44.25**	42.75
Deferred tax		**(4.93)**	9.26
Total Tax Expense		**39.32**	52.01
Profit for the year		**113.15**	88.40
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)		**(1.87)**	0.16
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)	*10,31*	**0.48**	(0.04)
Other comprehensive income for the year, net of tax		**-1.39**	0.12
Total comprehensive income for the year		**111.76**	88.52
Earnings per share [Nominal value of Rs. 10 each]:			
(a) Basic (INR)	*32(i)*	**21.41**	16.74
(b) Diluted (INR)	*32(ii)*	**21.37**	16.71

Significant accounting policies *2-3*

The accompanying notes form an integral part of the consolidated financial statements.

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8 May 2021

Thyrocare Technologies Limited

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash flows from operating activities**		
	Net profit before exceptional items, share of profit of associate and income tax	**152.54**	146.48
	Adjustments for:		
	Depreciation and amortisation	**30.28**	31.91
	Net (gain) on investments	**(3.68)**	(4.78)
	Net (gain) on liquidation of associate - Thyrocare International Holding Company Limited	**-**	(0.03)
	(Profit)/ Loss on sale of property, plant and equipment	**(4.20)**	(0.01)
	Allowance for credit impaired	**0.43**	1.89
	Share issue expenses	**0.02**	-
	Finance cost	**0.87**	1.85
	Employee stock compensation expense	**1.68**	2.00
	Interest income	**(0.79)**	(0.70)
		24.61	32.13
	Operating profit before working capital changes	**177.15**	178.61
	Adjustments for :		
	(Increase) in Inventories	**(2.74)**	(2.54)
	(Increase) in Trade receivables	**(28.81)**	(6.03)
	Decrease/ (Increase) in Loans and advances	**1.54**	(0.71)
	(Increase) in Other assets	**(4.14)**	(0.71)
	Increase in Trade payables	**3.15**	14.35
	Increase in Other liabilities	**7.17**	27.47
	Increase in Provisions	**5.93**	1.95
		(17.90)	33.78
	Cash generated from operations	**159.25**	212.39
	Taxes paid (net of refunds)	**(43.21)**	(44.51)
	Net cash flows generated from operating activities (A)	**116.04**	167.88
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment, additions to capital work in progress and capital advances	**(28.26)**	(9.90)
	Proceeds from sale of property, plant and equipment	**5.31**	0.02
	Proceeds from sale of business undertaking	**4.25**	-
	Proceeds from liquidation of associate - Thyrocare International Holding Company Limited	**-**	0.03
	Purchase of current investments	**(136.00)**	(132.84)
	Proceeds from sale of current investments	**104.21**	142.90
	Dividend received	**-**	0.34
	Investment in term deposits	**(0.11)**	
	Interest received	**0.37**	0.40
	Net cash (used) in/ from investing activities (B)	**(50.23)**	0.95
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity shares	**0.03**	0.04
	Share issue expenses	**(0.02)**	-
	Unsecured loan taken from related party	**(2.50)**	-
	Payment towards principal portion of lease liabilities	**(5.55)**	(4.39)
	Payment towards interest portion of lease liabilities	**(0.55)**	(1.26)
	Dividend paid on equity shares	**(52.84)**	(131.96)
	Tax paid on dividend	**-**	(27.04)
	Interest paid	**(0.14)**	(0.17)
	Net cash used in financing activities (C)	**(61.57)**	(164.78)
	Net Increase in Cash and cash equivalents (A+B+C)	**4.24**	4.05
	Cash and cash equivalents at the beginning of the year	**8.96**	4.91
	Cash and cash equivalents at the end of the year	**13.20**	8.96

Consolidated Statement of Cash Flows *(Continued)*

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

Notes to cash flow statement

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7, "Statement of cash flows".

2 Reconciliation of cash and cash equivalents with the balance sheet:

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents *(refer note 15)*	**13.20**	8.71
Balance as per statement of cash flows	**13.20**	8.71

3 Reconciliation of the movements of liabilities to cash flows arising from financing activities :

Particulars	Lease liabilities	Total
Balance at 1 April 2020	-	**2.50**
Balances recognised during the year on transition to Ind AS 116	13.38	**13.38**
Changes from financing cash flows		
Repayment of lease liabilities - principal portion	(4.39)	**(4.39)**
Payment of interest on lease liabilities	(1.26)	**(1.26)**
Repayment of borrowings	-	**-**
Payment of interest on borrowings	-	**(0.20)**
Total changes from financing cash flows	(5.65)	**(5.84)**
Other changes		
Additional lease liabilities recognised during the year	0.95	**0.95**
Interest expense	1.26	**1.46**
Balance at 31 March 2020	9.94	**12.44**
Balance at 1 April 2020	9.94	**12.44**
Changes from financing cash flows		
Repayment of lease liabilities - principal portion	(5.55)	**(5.55)**
Payment of interest on lease liabilities	(0.55)	**(0.55)**
Repayment of borrowings	-	**(2.50)**
Payment of interest on borrowings	-	**(0.14)**
Total changes from financing cash flows	(6.10)	**(8.75)**
Other changes		
Additional lease liabilities recognised/ (derecognised) during the year	4.09	**4.09**
Interest expense	0.55	**0.69**
Balance at 31 March 2021	8.49	**8.49**

Significant accounting policies

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
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8 May 2021

Mumbai
8 May 2021

Thyrocare Technologies Limited

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

a. Equity share capital

	Note	**Amount**
Balance as at the 1 April 2019		52.80
Changes in equity share capital during 2019-20	*18*	0.04
Balance as at the 31 March 2020		**52.84**
Changes in equity share capital during 2020-21	*18*	0.03
Balance as at the 31 March 2021		**52.87**

b. Other equity

	Note	Reserves and surplus						**Total**
		Capital reserve	**Securities premium**	**Share options outstanding**	**General reserve**	**Capital redemption reserve**	**Retained earnings**	
Balance as at 1 April 2019		31.71	65.08	3.89	9.17	0.96	271.52	**382.33**
Total comprehensive income for the year ended 31 March 2020								
Profit for the year		-	-	-	-	-	88.40	**88.40**
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	0.12	**0.12**
Total comprehensive income		-	-	-	-	-	88.52	**88.52**
Transaction with owners recorded directly in equity								
Contributions by and distributions to owners								
Exercise of employee stock options	*19(b)*	-	2.16	-	-	-	-	**2.16**
Employee stock option compensation expense for the year	*19(c)*	-	-	2.00	-	-	-	**2.00**
Final/Interim dividend on equity shares	*19(f)*	-	-	-	-	-	(132.00)	**(132.00)**
Dividend distribution tax	*19(f)*	-	-	-	-	-	(27.04)	**(27.04)**
Transfer to securities premium account on exercise of stock option	*19(c)*	-	-	(2.16)	-	-	-	**(2.16)**
Total contributions by and distributions to owners		-	2.16	(0.16)	-	-	(159.04)	**(157.04)**
Balance as at the 31 March 2020		**31.71**	**67.24**	**3.73**	**9.17**	**0.96**	**201.00**	**313.81**
Balance as at 1 April 2020		31.71	67.24	3.73	9.17	0.96	201.00	**313.81**
Total comprehensive income for the year ended 31 March 2021								
Profit for the year		-	-	-	-	-	113.15	**113.15**
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	(1.39)	**(1.39)**
Total comprehensive income		-	-	-	-	-	111.76	**111.76**
Transaction with owners recorded directly in equity								
Contributions by and distributions to owners								
Exercise of employee stock options	*19(b)*	-	2.47	-	-	-	-	**2.47**
Employee stock option compensation expense for the year	*19(c)*	-	-	1.68	-	-	-	**1.68**
Interim dividend on equity shares	*19(f)*	-	-	-	-	-	(52.84)	**(52.84)**
Transfer to securities premium account on exercise of stock option	*19(c)*	-	-	(2.47)	-	-	-	**(2.47)**
Total contributions by and distributions to owners		-	2.47	(0.80)	-	-	(52.84)	**(51.17)**
Balance as at the 31 March 2021		**31.71**	**69.71**	**2.94**	**9.17**	**0.96**	**259.92**	**374.41**

Significant accounting policies *2-3*

The accompanying notes form an integral part of the consolidated financial statements.

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Company Secretary
Membership No - F2966
8 May 2021

Mumbai
8 May 2021

Thyrocare Technologies Limited

Notes to the consolidated financial statements

for the year ended 31 March 2021

1. Reporting entity

Thyrocare Technologies Limited (the “Company”) alongwith its subsidiaries Nueclear Healthcare Limited and Thyrocare Employees Stock Option Trust [collectively referred to as the "Group"], is one of India's leading healthcare services providers in diagnostic segment. The consolidated financial statements include financial statements of the Company, its Subsidiaries and its associate, Equinox Labs Private Limited. The Group has a centralised fully automated diagnostic testing laboratory, regional processing laboratories, a medical cyclotron facility and PET-CT facilities across the country. The Company has been incorporated under the provisions of the Companies Act in India and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company’s subsidiaries and associate are also domiciled in India.

2. Basis of preparation

A. Statement of compliance

These consolidated Ind AS financial statements (hereinafter referred to as 'consolidated financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Company’s Board of Directors on 23 May 2020.

The details of the accounting policies are included in Note 3.

B. Functional and presentation currency

These consolidated financial statements are prepared in India Rupees (INR), which is also the Group’s functional currency. All amounts have been rounded-off to the nearest crore, unless otherwise indicated.

C. Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Investment	Fair value
Employee shared-based payments at grant date	Fair value
Net defined benefit (asset) / liability	Fair Value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 K – Revenue recognition at a point in time

Note 3 N – Leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 I - Impairment of financial and non-financial assets

Note 3 J – Assets held for sale – to determine fair value less cost to sell

Note 4 and 5 - determining an asset's expected useful life and the expected residual value at the end of its life

Note 9 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

Note 33 – measurement of defined benefit obligations: key actuarial assumptions and

Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company, in case of assets held for sale, makes use of valuation certificates obtained from third party professionals for determining significant fair value measurement for cases covered under Level 3.

The group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as statements of asset management companies managing the mutual fund schemes, is used to measure fair values, then the group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues, if any, are reported to the company's audit committee.

Fair value is categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities (includes mutual funds that have quoted price/ declared NAV).

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes :

- Note 4C – investment property;

- Note 34 – share-based payment arrangements; and

- Note 35 – financial instruments.

F. Principles of consolidation and equity accounting

(i) Business combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2016.

In respect of business combinations, goodwill represents the amount recognised under the Group's previously accounting framework under Indian GAAP.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used for business combination by the group.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member in the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure :

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

(iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(v) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in an associate.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associate is accounted for using the equity method. This is initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

A. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS-108 'Operating Segments' for allocating resources and assessing performance. The Group operates in three reportable business segment.

Refer note 33 in the financial statements for additional disclosures on segment reporting.

B. Current/ non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria :

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(ii) it is expected to be realised within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria :

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
(ii) it is due to be settled within twelve months from the reporting date;
(iii) it is held primarily for the purposes of being traded; or
(iv) the group does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current - non-current classifications of assets and liabilities.

C. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities are translated at the rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

D. Financial instruments

(i) ***Recognition and initial measurement***

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus except for receivables / contract assets under Ind AS 115 which are measured at transaction price, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI); or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI — equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective at amortised interest method. The amortised cost is reduced by impairment losses. Interest cost / income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value, Dividends are recognised as income in profit of loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Impairment of Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The Group's goodwill on consolidation are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and revenue growth rates . Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and Management's estimates of the future growth in the business. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Discount rates

Management estimates discount rates using pre-tax rates that reflects current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates

The growth rates are based on industry growth forecasts and Management's best estimates of the expected future growth. Management determines the forecasted growth rates based on past performance and its expectations of market development.

F. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii)Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on cost' of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment prescribed as per Schedule II are as follows:

Assets	**Useful life as per Schedule II**
Buildings	60 Years
Plant and equipment (diagnostic equipment)	13 Years
Plant and equipment (others)	15 Years
Office equipment	5 Years
Furniture and fittings	10 years
Computers	3-6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

(iv) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

G. Other Intangible assets

Before transition to Ind AS, other intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The intangible assets acquired by the Group, after transition to Ind AS are measured at fair value.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Softwares - 5 years

- Trademark – 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

H. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in processing are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

I. Impairment

(i) Impairment of financial assets

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

At each reporting date, the Group assesses whether financial assets carried at amortised cost. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being past due for 90 days or more;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

Impairment of investments in associates

Determining whether the investments in associates are impaired requires an estimate in the value in use of investments. The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

J. Non-current assets, or disposal groups held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

K. Employee benefits

(i)Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

(vi) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

L. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

M. Revenue from operations

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue stream	**Nature and timing of satisfying performance obligations, including significant payment terms**	**Revenue recognition under Ind AS 115**
Sale of services	Customers obtain control of the service at the time of receipt of relevant test reports. Customers generally pay upfront before availing diagnostic services or before undergoing scans and in case of tie-up customers, the credit period offered generally ranged from 15 days to 30 days. The Group generally does not have refund/warranty obligations.	Revenue from sale of testing and imaging services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests.

Sale of goods and consumables	Customer obtains control of goods and consumables when the goods are delivered to the customer's premise or other agreed upon delivery point where the customer takes control of the goods. The credit period offered to customers generally ranged from 30 days to 90 days. The Group does not have refund/warranty obligations.	Revenue is recognized at a point in time when the goods and consumables are delivered at the agreed point of delivery which generally is the premises of the customer.

Income from technical assistance and trade mark assignment is recognised once the Group's right to receive the revenue is established by the reporting date. Income from technical assistance and trademark is recognised as an agreed percentage of the turnover of the respective entities, as per the terms of the respective agreements.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

N. Leases

The Group has applied *Ind AS 116 Leases*, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind *AS 17*. The details of accounting policies under Ind *AS 17* are disclosed separately if they are different from those under *Ind AS 116* and the impact of changes is disclosed separately in this note.

Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease, A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either, throughout the period of use:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

An inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) As a lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property, separately, in *Note 5B 'Right of use long term leases (net of net investment in sub-leases)'* and lease liabilities in *Note 21A 'Other financial liabilities - Non-current'* and *Note 21B 'Other financial liabilities - Current'*, in the statement of financial position.

However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a singly lease component.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term-leases of machinery that have a lease term of 12 months of less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease otherwise it is classified as finance lease.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset

In case of sublease, finance lease receivable is netted off from the value of Right of Use asset.in *Note 5B.*

Notes to the consolidated financial statements *(continued)*
for the year ended 31 March 2021

Maturity Analysis of Lease liabilities as at 31 March 2021 on an undiscounted basis:

Particulars	**As at 31 March 2021 in Rs. crore**	As at 31 March 2020 in Rs. crore
Less than one year	**3.78**	4.43
One to five years	**5.86**	5.54
More than five years	**0.08**	1.00
Total	**9.72**	10.97

Lease liabilities recorded in the Balance sheet as at 31 March 2021

Particulars	**As at 31 March 2021 in Rs. crore**	**As at 31 March 2020 in Rs. crore**
Non-current portion	5.45	5.69
Current portion	3.04	4.25
Total	**8.49**	**9.94**

Amounts recognized in the statement of profit and loss

Particulars	**As at 31 March 2021 in Rs. crore**	**As at 31 March 2020 in Rs. crore**
Interest expense on leases (recorded under Finance Cost in the statement of profit and loss)	**0.69**	1.31
Depreciation on right-of-use assets for the year (refer note 5B for further details)	**5.06**	5.04
Expenses relating to short term leases recorded in Note 30 under Rent	**1.23**	1.19

Amount recognized in the statement of cash flows:

Particulars	**As at 31 March 2021 in Rs. crore**	**As at 31 March 2020 in Rs. crore**
Total cash outflow on account of leases	**6.10**	6.84

(iii) Other leases

The Group entered into lease with the landlord for land at central processing laboratory premises about 10 years ago. The lease premium paid on transfer of lease rights in favor of the Group, is capitalised in the books and amortised over the period of the lease.

Equipment placement arrangements

The Group uses testing equipment (analysers) under a number of reagent rental arrangements. Some of these arrangements provide the Group with option to purchase the equipment at the end of lease term at mutually negotiated price as well as an obligation to purchase the equipment at stipulated price in the event of premature termination.

Some of these arrangements are not in the legal form of lease, but a portion of the cost paid to the vendors for is considered to contain a lease element due to the nature of the contractual terms.

Change in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group applied *Ind AS 116* with a date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied *Ind AS 116* using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019. The details of the changes in accounting policies are disclosed below.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease. Under *Ind AS 116*, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained earlier in this Note K.

On transition to *Ind AS 116*, the Group elected to apply the practical expedient to grandfather the assessment of which transaction are leases. It applied *Ind AS 116* only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind *AS 17* were not reassessed for whether there is a lease. Therefore, the definition of a lease under *Ind AS 116* was applied only to contracts entered into or changed on or after 1 April 2019.

B. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under *Ind AS 116*, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on balance sheet.

The Group decided to apply recognition exemption to short-term leases of machinery and lease of IT equipment.

(i) Leases classified as operating leases under Ind AS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either :

- their carrying amount as if *Ind AS 116* had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or

- o an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach for all other leases.

The Group used the following practical expedients when applying *Ind AS 116* to leases previously classified as operating leases under Ind *AS 17*.

- o applied a single discount rate to a portfolio of leases with similar characteristics.
- o applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- o excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- o Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

C. As a lessor

The Group is not required to make any adjustments on transition to *Ind AS 116* for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with *Ind AS 116* from the date of initial application.

Under *Ind AS 116*, the Group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under Ind *AS 17*. The Group concluded that the sub-lease is a finance lease under *Ind AS 116*.

The Group applied *Ind AS 115 Revenue from contracts with customers* to allocate consideration in the contract to each lease and non-lease component.

D. Impacts on financial statements

On transition to *Ind AS 116*, the Group recognized INR 14.33 crore of additional right-of-use assets, INR 14.33 crore of additional lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 10.5%.

Particulars	**Amount in Rs. crore**
Operating lease commitments as at 31 March 2019 as per Ind AS 17	17.82
Add: Commitments towards reagent equipment placement arrangements (to the extent of lease element)	3.25
Less: Recognition exemption for short-term leases	(0.64)
Less: Impact of discounting on date of initial application of Ind AS 116	(3.92)
Lease liabilities recognised in the balance sheet on transition to Ind AS 116 as at 1 April 2019 (before netting impact of sub-leases)	13.38

O. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to :
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

P. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Q. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

R. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing Indian Accounting Standards (Ind AS). There is no such notification which would have been applicable from 1 April 2020.

(All amounts in Rs crores, unless otherwise stated)

4 Property, plant and equipment, capital work-in-progress and investment property

See accounting policies in Note 3 F

	Gross block					Accumulated depreciation and impairment losses					Net block	
	Balance as at 1 April 2020 *Balance as at 1 April 2019 (deemed cost)*	**Addition**	**Disposal**	**Reclassification to assets held for sale/Reclassification to Right-of-use assets/ Other adjustments**	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 1 April 2020** *Balance as at 1 April 2019*	**Depreciation/ amortisation expense for the year**	**On disposals**	**Transfer on reclassification to assets held for sale*/right-of-use assets**	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2020** *Balance as at 31 March 2019*
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
A Property, plant and equipment												
Leasehold Land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	19.35	*-*	*-*	*(19.35)*	*-*	*0.97*	*-*	*-*	*(0.97)*	*-*	*-*	*18.38*
Freehold Land	**16.62**	**-**	**-**	**-9.53**	**7.08**	**-**	**-**	**-**	**-**	**-**	**7.08**	**16.62**
	16.62	*-*	*-*	*-*	*16.62*	*-*	*-*	*-*	*-*	*-*	*16.62*	*16.62*
Buildings/ Premises	**48.34**	**-**	**(1.40)**	**-**	**46.93**	**8.38**	**2.06**	**(0.65)**	**-**	**9.79**	**37.14**	**39.96**
	60.04	*-*	*-*	*(11.70)*	*48.34*	*8.00*	*2.37*	*-*	*(1.99)*	*8.38*	*39.96*	*52.04*
Plant and Equipment	**128.94**	**15.21**	**(5.78)**	**-**	**138.36**	**57.33**	**16.65**	**(2.92)**	**-**	**71.06**	**67.30**	**71.61**
	121.99	*7.04*	*-*	*(0.09)*	*128.94*	*39.58*	*17.75*	*-*	*-*	*57.33*	*71.61*	*82.41*
Furniture and Fixtures	**19.72**	**5.77**	**(0.73)**	**-**	**24.76**	**9.56**	**3.41**	**(0.31)**	**-**	**12.66**	**12.10**	**10.16**
	17.67	*2.05*	*-*	*-*	*19.72*	*6.45*	*3.11*	*-*	*-*	*9.56*	*10.16*	*11.22*
Vehicles	**0.67**	**-**	**(0.24)**	**-**	**0.43**	**0.30**	**0.11**	**(0.22)**	**-**	**0.19**	**0.24**	**0.37**
	0.68	*0.07*	*(0.08)*	*-*	*0.67*	*0.23*	*0.14*	*(0.07)*	*-*	*0.30*	*0.37*	*0.45*
Office equipment	**6.64**	**3.10**	**(0.21)**	**-**	**9.53**	**3.89**	**1.52**	**(0.14)**	**-**	**5.27**	**4.26**	**2.75**
	5.42	*1.22*	*-*	*-*	*6.64*	*2.50*	*1.39*	*-*	*-*	*3.89*	*2.75*	*2.92*
Computers printers and scanners	**5.10**	**0.88**	**-**	**-**	**5.98**	**3.61**	**1.19**	**-**	**-**	**4.80**	**1.18**	**1.49**
	4.03	*1.07*	*-*	*-*	*5.10*	*2.29*	*1.32*	*-*	*-*	*3.61*	*1.49*	*1.74*
Total	**226.03**	**24.95**	**(8.36)**	**(9.53)**	**233.09**	**83.07**	**24.94**	**(4.24)**	**-**	**103.78**	**129.31**	**142.96**
Total	*245.80*	*11.45*	*(0.08)*	*(31.14)*	*226.03*	*60.02*	*26.08*	*(0.07)*	*(2.96)*	*83.07*	*142.96*	*185.78*
B Capital work-in-progress	**4.94**	**29.31**	**(25.97)**	**8.28**							**8.28**	**-**
	1.47	*15.41*	*(11.94)*	*4.94*							*4.93*	*-*

Figures in italic pertains to previous year.

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

4 Property, plant and equipment, capital work-in-progress and investment property *(Continued)*

	Gross block					Accumulated depreciation and impairment losses					Net block	
	Balance as at 1 April 2020 *Balance as at 1 April 2019 (deemed cost)*	**Addition**	**Disposal**	**Reclassification to assets held for sale**	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 1 April 2020** *Balance as at 1 April 2019*	**Depreciation/ amortisation expense for the year**	**On disposals**	**Transfer on reclassification to assets held for sale****	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2020** *Balance as at 31 March 2019*
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
C Assets held for sale *												
Leasehold Land	**7.23**	**-**	**-**	**-**	**7.23**	**0.33**	**-**	**-**	**-**	**0.33**	**6.90**	**6.90**
	4.44	*2.79*	*-*	*-*	*7.23*	*0.22*	*-*	*-*	*0.11*	*0.33*	*6.90*	*4.22*
Freehold Land	**9.53**	**-**	**-**	**-**	**9.53**	**-**	**-**	**-**	**-**	**-**	**9.53**	**-**
	-	-	-	-	-	-	-	-	-	-	-	-
Buildings/ Premises	**28.17**	**0.06**	**-0.74**	**-**	**27.50**	**3.92**	**-**	**-0.35**	**-**	**3.57**	**23.93**	**24.25**
	16.47	*11.70*	*-*	*-*	*28.17*	*1.93*	*-*	*-*	*1.99*	*3.92*	*24.25*	*14.54*
Total assets held for sale	**44.93**	**0.06**	**-0.74**	**-**	**44.25**	**4.25**	**-**	**-0.35**	**-**	**3.90**	**40.36**	**31.14**
	20.91	*14.49*	*-*	*-*	*35.40*	*2.15*	*-*	*-*	*2.10*	*4.25*	*31.14*	*18.76*

Note

**** Assets held for sale***

The Company has reclassifed certain building premises to assets held for sale in previous years as the Company has already received advances towards sale consideration for building premises. The procedural fornalities for effecting the transfer could not be completed before 31 March 2021. The sale of these assets held for sale is expected to be completed before 31 March 2022.

4D. The Group tested the goodwill on consolidation for impairment as at 31 March 2021. The Group prepared its cash flow forecasts based on the most recent financial forecasts approved by management with projected revenue growth rates ranging from 10% to 15% over a 10 year forecast period which in Management's assessment was the most appropriate period to consider given the inherent nature of the business which involves a significant initial gestation period before centres reach break-even and the growth potential in the industry that exists considering various factors including the past experience. Growth rate used for extrapolation of cash flows beyond the period covered by the forecasts is 3%. The rates used to discount the forecasted cash flows is 13.46%%. Management believes that any reasonable possible change to the discount rate or revenue growth rate could have an impact on the recoverable amount, however, Management believes the assumptions considered represent Management's best estimate as at 31 March 2021.

Particulars	**As at 31 March 2021**	As at 31 March 2020
Goodwill	**100.28**	100.28

Thyrocare Technologies Limited

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

5 Other intangible assets and right-of-use assets

See accounting policy in Note 3 G

		Gross block				Accumulated depreciation and impairment losses					Net block	
A Intangible assets	**Balance as at 1 April 2020** *Balance as at 1 April 2019 (deemed cost)*	**Addition**	**Disposal**	**Reclassification to assets held for sale**	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 1 April 2020** *Balance as at 1 April 2019*	**Depreciation/ amortisation expense for the year**	**On disposals**	**Transfer on reclassification to assets held for sale****	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2020** *Balance as at 31 March 2019*
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Computer software	**1.28**	**-**	**-**	**-**	**1.28**	**1.13**	**0.05**	**-**	**-**	**1.18**	**0.10**	**0.15**
	1.28	*-*	*-*	*-*	*1.28*	*0.78*	*0.35*	*-*	*-*	*1.13*	*0.15*	*0.50*
Trademark	**1.46**	**-**	**-**	**-**	**1.46**	**0.45**	**0.15**	**-**	**-**	**0.59**	**0.87**	**1.01**
	1.46	*-*	*-*	*-*	*1.46*	*0.30*	*0.15*	*-*	*-*	*0.45*	*1.01*	*1.16*
Total intangible assets	**2.74**	**-**	**-**	**-**	**2.74**	**1.58**	**0.20**	**-**	**-**	**1.77**	**0.97**	**1.16**
	2.74	*-*	*-*	*-*	*2.74*	*1.08*	*0.50*	*-*	*-*	*1.58*	*1.16*	*1.66*

Figures in italic pertains to previous year.

5 Other intangible assets and right-of-use assets *(Continued)*

		Gross block				Accumulated depreciation and impairment losses					Net block	
B Right of use assets (net off investment in sub-leases)	**Balance as at 1 April 2020** *Balance as at 1 April 2019*	**Recognised during the year**	**Derecognised during the year**	**Other adjustments**	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 1 April 2020** *Balance as at 1 April 2019*	**Depreciation/ amortisation expense for the year**	**On Derecognition**	**Impairment losses**	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2021** *Balance as at 31 March 2020*	**Balance as at 31 March 2020** *Balance as at 31 March 2019*
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	
Leasehold Land	**15.70**	**-**	**-**	**-**	**15.70**	**0.30**	**0.30**	**-**	**-**	**0.60**	**15.10**	**15.40**
	15.70	*-*	*-*	*-*	*15.70*	*-*	*0.30*	*-*	*-*	*0.30*	*15.40*	
Buildings	**11.07**	**5.79**	**-6.00**	**-**	**10.86**	**3.18**	**3.44**	**(3.15)**	**-**	**3.47**	**7.39**	**7.89**
	10.12	*0.95*	*-*	*-*	*11.07*	*-*	*3.18*	*-*	*-*	*3.18*	*7.89*	
Plant and machinery	**3.26**	**-**	**-**	**-**	**3.26**	**1.86**	**1.40**	**-**	**-**	**3.26**	**-**	**1.40**
	3.26	*-*	*-*	*-*	*3.26*	*-*	*1.86*	*-*	*-*	*1.86*	*1.40*	
	30.03	**5.79**	**(6.00)**	**-**	**29.82**	**5.34**	**5.14**	**(3.15)**	**-**	**7.33**	**22.49**	**24.70**
	29.08	*0.95*	*-*	*-*	*30.03*	*-*	*5.34*	*-*	*-*	*5.34*	*24.69*	*-*

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	31 March 2021	31 March 2020
6 Equity accounted investees		
See accounting policy in Note 2(F)(v)		
Interest in associates		
Equity shares (unquoted)	**21.10**	21.17
429,185 (31 March 2020 : 429,185) equity shares of Equinox Laboratories Private Limited		
	21.10	21.17

Associates

Equinox Laboratories Private Limited (Equinox)

The Group had acquired 30% stake in Equinox Laboratories Private Limited (Equinox) vide the terms of the Share Subscirption and Shareholder's agreement and Business Transfer agreement executed on 15 December 2017 and 3 January 2018 respectively, partially by subscribing to 214,592 equity shares of Equinox in cash and partially by subscribing to 214,593 equity shares of Equinox for consideration other than cash i.e. by transfering Thyrocare Technologies Limited Water Testing Business on a slump sale basis. Equinox is domiciled in India and engaged in the business of testing and analysis of food, water and air samples.

	31 March 2021	31 March 2020
Ownership interest	**30%**	30%
Carrying amount of assets and liabilities of the associate entity as per its standalone financial statements:		
Non-current assets	**22.15**	24.25
Current assets	**6.56**	5.93
Non-current liabilities	**(1.32)**	(2.88)
Current liabilities	**(2.36)**	(2.31)
Net assets (100%)	**25.02**	24.99
Group's share of net assets (based on carrying amount as per associate's financial statements)	**7.51**	7.50
Revenue	**9.29**	16.81
Profit	**(0.25)**	1.70
Other comprehensive income	**-**	-
Total comprehensive income	**(0.25)**	1.70
Group's share of Profit (30%)	**(0.07)**	0.51
Group's share of OCI (30%)	**-**	-
Group's share of total comprehensive income	**(0.07)**	0.51

Reconciliation of investments in associates

	31 March 2021	31 March 2020
Opening balance	**21.17**	20.66
Share of (loss)/profit	**(0.07)**	0.51
Share of other comprehensive income	**-**	-
Closing balance	**21.10**	21.17

Thyrocare International Holding Company, an associate, incorporated in Republic of Mauritius, was in the process of liquidation and the process of liquidation has been completed during FY 2019-20.

During the year ended 31 March 2021 and 31 March 2020, the Group did not receive any dividend from its associates.

The associate does not have any contingent liabilities and capital commitments as at 31 March 2021 and 31 March 2020.

(All amounts in Rs crores, unless otherwise stated)

		31 March 2021	31 March 2020
7	**Investments**		
	Current investments		
	Investments in Mutual Funds (Quoted) measured at FVTPL		
	596,157.929 units (31 March 2020 :705,289.762 units) of ABSL Corporate Fund - Growth	**5.17**	5.56
	NIL units (31 March 2020 :80,302.451 units) of ABSL Floating Rate Fund - Growth - Direct	**-**	2.03
	272,165.84 units (31 March 2020 :NIL units) of ABSL Liquid Fund - Growth - Direct	**9.02**	-
	110,477.286 units (31 March 2020 :128,359.438 units) of ABSL Low Duration Fund - Growth	**6.10**	6.59
	2,681,594.421 units (31 March 2020 :NIL units) of ABSL Short Term Fund - Growth - Direct	**10.31**	-
	20,704.832 units (31 March 2020 :17,447.02 units) of Axis Treasury Advantage Fund - Direct Growth	**5.14**	4.06
	NIL units (31 March 2020 :329,365.576 units) of Franklin India Corporate Debt Fund - Growth	**-**	2.48
	29,736.361 units (31 March 2020 :NIL units) of HDFC Liquid Fund - Direct Growth	**12.03**	-
	3,820,652.296 units (31 March 2020 :NIL units) of HDFC Low Duration Fund - Direct Growth	**18.18**	-
	296,094.166 units (31 March 2020 :NIL units) of ICICI Prudential Liquid Fund	**9.02**	-
	191,133.461 units (31 March 2020 :NIL units) of ICICI Prudential Savings Fund	**8.02**	-
	NIL units (31 March 2020 :27,937.079 units) of Kotak Corporate Bond Fund - Direct Growth	**-**	7.71
	NIL units (31 March 2020 :7,860.625 units) of Kotak Low Duration Direct Growth	**-**	2.03
	NIL units (31 March 2020 :128,1345.038 units) of Nippon India Prime Debt Fund - Growth	**-**	5.56
	NIL units (31 March 2020 :3,560,370.657 units) of SBI Dynamic Bond Fund - Direct Growth	**-**	9.73
	NIL units (31 March 2020 :1,879,505.962 units) of SBI Short Term Debt Fund - Growth	**-**	4.54
	1,022,348.239 units (31 March 2020 :1,022,348.239 units) of Unifi Capital Fund	**20.47**	18.73
	428728.842 units (31 March 2020 :NIL units) of HDFC Ultra Short Term Fund	**0.51**	-
	12008.244 units (31 March 2020 :NIL units) of Aditya Birla Sunlife Savings Fund -Direct Plan	**0.51**	-
		104.49	69.03
	Aggregate amount of quoted investments - At cost	**98.50**	65.02
	Aggregate amount of quoted investments - At market value	**104.49**	69.03
8	**Loans**		
	(unsecured, considered good unless otherwise stated)		
	A. Non-current loans and advances		
	Security deposits		
	To related parties	**0.12**	1.49
	To parties other than related parties	**2.77**	2.77
		2.89	4.26
	B. Current loans and advances		
	Security deposits		
	To related parties	**0.02**	-
	To parties other than related parties	**0.56**	0.61
	Loans and advances to employees	**0.02**	0.05
		0.60	0.66
9	**Other financial assets**		
	Bank balance in deposit accounts * (with maturity period exceeding 12 months from the reporting date)	**3.08**	2.82
		3.08	2.82

** Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .*

(All amounts in Rs crores, unless otherwise stated)

10 Recognised deferred tax assets and liabilities

A. Deferred tax assets and liabilities are attributable to the following :

	Deferred tax (assets)		Deferred tax (liabilities)		Net deferred tax assets/ (liabilities)	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Property, plant and equipment/ Intangible assets/ Investment property	**-**	-	**(2.74)**	(5.52)	**(2.74)**	(5.52)
Intangible assets	**-**	-	**(0.14)**	(0.14)	**(0.14)**	(0.14)
Investments at fair value through profit or loss	**-**	-	**(1.51)**	(0.53)	**(1.51)**	(0.53)
Provisions - employee benefits	**4.38**	1.15	**-**	-	**4.38**	1.15
Investment in subsidiary	**-**	-	**-**	-	**-**	-
Provisions - others	**(0.02)**	-	**-**	(0.00)	**(0.02)**	(0.00)
Other items	**1.26**	0.87	**-**	-	**1.26**	0.87
Net deferred tax (assets) liabilities	**5.63**	2.03	**(4.39)**	(6.19)	**1.24**	(4.16)

B. Movement in temporary differences

	Balance as at 1 April 2019	Recognised in profit or loss during 2019-2020	Recognised in OCI during 2019-2020	Balance as at 31 March 2020	Recognised in profit or loss during 2020-2021	Recognised in OCI during 2020-2021	Balance as at 31 March 2021
Property, plant and equipment/ Intangible assets/ Investment property	(5.62)	0.10	-	**(5.52)**	2.78	-	**(2.74)**
Intangible assets	(0.14)	-	-	**(0.14)**	-	-	**(0.14)**
Investments at fair value through profit or loss	(1.17)	0.64	-	**(0.53)**	(0.98)	-	**(1.51)**
Provisions - employee benefits	3.03	(1.84)	(0.04)	**1.15**	2.76	0.47	**4.38**
Provisions - others	(0.02)	0.02	-	**(0.00)**	(0.02)	-	**(0.02)**
Other items	0.86	0.02	-	**0.87**	0.38	-	**1.26**
Tax losses carried forward	8.20	(8.20)	-	**-**	-	-	**-**
	5.14	**(9.26)**	**(0.04)**	**(4.16)**	**4.92**	**0.47**	**1.24**

Thyrocare Technologies Limited

Notes to the consolidated financial statements *(Continued)*
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(All amounts in Rs crores, unless otherwise stated)

		31 March 2021	31 March 2020
11	**Other tax assets**		
	See accounting policy in Note 3 P		
	Advance income tax (net of provision for tax)	**10.40**	9.43
		10.40	9.43
12	**Other non-current assets**		
	Capital advances	**1.01**	1.00
	Prepaid expenses	**0.05**	0.27
	Balance with government authorities	**0.52**	1.48
	Advances for supply of goods	**1.65**	2.15
		3.23	4.90
13	**Inventories**		
	See accounting policy in Note 3 H		
	Reagents, diagnostic material and consumables	**23.26**	20.24
	Stock-in-trade (acquired for trading) [includes in transit INR Nil (31 March 2020 : 0.17 crore)]	**0.10**	0.38
		23.36	20.62
14	**Trade receivables**		
	Secured, considered good	**-**	2.90
	Unsecured, considered good	**47.34**	13.40
	Credit impaired	**-**	2.56
		47.34	18.86
	Less: Allowance for Credit impaired	**(2.66)**	(2.56)
		44.68	16.30
	Trade receivables from related parties excluding allowance for Credit impaired (*refer Note 38*)	**2.67**	1.52
15	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	**0.06**	0.07
	Balances with banks		
	in current accounts	**13.14**	8.63
		13.20	8.71
	Other bank balances		
	in deposit accounts * (with original maturity period exceeding 3 months but maturing within 12 months from reporting date)	**2.53**	2.36
		15.73	11.07
	** Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .*		
16	**Other financial assets - current**		
	Other receivables	**6.05**	0.02
	Interest accrued on deposits	**0.02**	0.02
		6.07	0.04
17	**Other current assets**		
	Advances for supply of goods and services	**1.60**	2.16
	Prepaid expenses	**1.24**	0.97
		2.84	3.13

(All amounts in Rs crores, unless otherwise stated)

18 Share capital

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
(a) Authorised				
Equity shares of Rs. 10 each with equal voting rights	**10,00,00,000**	**100.00**	10,00,00,000	100.00
(b) Issued, subscribed and paid-up				
Equity shares of Rs. 10 each with equal voting rights	**5,28,71,371**	**52.87**	5,28,33,317	52.84
Total	**5,28,71,371**	**52.87**	5,28,33,317	52.84

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	31 March 2021		31 March 2020	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares				
At the commencement of the year	**5,28,36,365**	**52.84**	5,27,98,606	52.80
Shares issued on exercise of employee stock options	**38,054**	**0.03**	37,759	0.04
Shares bought back	**-**	**-**	-	-
Issued and subscribed share capital	**5,28,74,419**	**52.87**	5,28,36,365	52.84
Less: Equity shares held by Trust	**-3,048**	**(0.00)***	-3,048	(0.00)*
At the end of the year	**5,28,71,371**	**52.87**	5,28,33,317	52.84

** amount less than Rs. 1 Lakh*

The Group has also issued share options plan for its employees. (*see Note 35*)

Rights, preferences and restrictions attached to equity shares
The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.
On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Employee stock option plan
Terms attached to stock options granted to employees are described in Note 35 regarding share-based payments.

Equity shares bought back
During the previous year ended 31 March 2019, the Company bought back 958,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018.

Particulars of shareholders holding more than 5% shares of a class of shares

	31 March 2021		31 March 2020	
	Number of shares (in 'thousands)	**% of total shares held**	Number of shares (in 'thousands)	% of total shares held
Equity shares of INR 10 each fully paid-up held by -				
Dr A Velumani	**1,48,17,675**	**28.03%**	1,48,09,317	28.03%
Thyrocare Publications LLP (formerly known as "Thyrocare Publications Private Limited")	**65,34,500**	**12.36%**	65,34,500	12.37%
Thyrocare Properties & Infrastructure Private Limited	**52,25,315**	**9.88%**	52,17,800	9.88%
Nalanda India Equity Fund Limited	**38,21,394**	**7.23%**	33,66,371	6.37%
Arisaig Asia Consumer Fund Limited	**30,23,553**	**5.72%**	0	0.00%

(All amounts in Rs crores, unless otherwise stated)

18 Share capital *(Continued)*

Shares reserved for issue under options

		31 March 2021		31 March 2020	
		Number of shares	**Amount**	Number of shares	Amount
a.	Under Employees Stock Option Scheme, 2020 - at an exercise price of INR 10 per share (*see Note 35*)	**40,429**	**0.04**	-	-
b.	Under Employees Stock Option Scheme, 2019 - at an exercise price of INR 10 per share (*see Note 35*)	**33,337**	**0.03**	37,189	0.04
c.	Under Employees Stock Option Scheme, 2018 - at an exercise price of INR 10 per share (*see Note 35*)	**31,005**	**0.03**	34,270	0.03
d.	Under Employees Stock Option Scheme, 2017 - at an exercise price of INR 10 per share (*see Note 35*)	-	-	39,880	0.04

Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

a. Below is a summary of the equity shares alloted by the Company pursuant to various ESOP plans for consideration other than cash (except for the face value of shares that has been recovered in case:

	31 March 2021	31 March 2020
Number of shares alloted pursuant to ESOP schemes	**38,054**	37,759

b. During the years 31 March 2016 and 31 March 2015, the Company allotted 3,187,562 and 691,295 equity shares of INR 10 each fully paid up respectively, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of INR 295.95 per share to acquire 100% shares and make it a subsidiary.

c. During the previous five years, the Group has not issued any bonus shares.

19 Other equity

		31 March 2021	31 March 2020
(a)	**Capital reserve**		
	At the commencement and end of the year	**31.71**	31.71
(b)	**Securities premium**		
	At the commencement of the year	**67.24**	65.08
	Transfer on exercise of stock option	**2.47**	2.16
	At the end of the year	**69.71**	67.24
(c)	**Share options outstanding**		
	At the commencement of the year	**3.73**	3.89
	Employee compensation expense for the year	**1.68**	2.00
	Transfer on exercise of stock option	**(2.47)**	(2.16)
	At the end of the year	**2.94**	3.73
(d)	**General reserve**		
	At the commencement of the year	**9.17**	9.17
(e)	**Capital redemption reserve**		
	At the commencement and end of the year	**0.96**	0.96
(f)	**Retained earnings**		
	At the commencement of the year	**201.00**	271.52
	Profit for the year including other comprehensive income	**111.76**	88.52
	Appropriation		
	Final/ Interim dividend on equity shares	**(52.84)**	(132.00)
	Dividend distribution tax	**-**	(27.04)
	At the end of the year	**259.93**	201.00
		374.41	313.81

(All amounts in Rs crores, unless otherwise stated)

19 Other equity *(Continued)*

Capital reserve
Capital Reserve represents a) amounts received in earlier years from the selling shareholder at the time of the IPO towards reimbursement of certain expenses and b) fair of the trademark “Whaters” (subsequently disposed off) assigned by Dr A Velumani in favour of the Company for no consideration.

Securities premium
Securities premium represent the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account
The group has established various equity-settled share-based payment plans for certain categories of employees of the Group. The balance in the share option outstanding account represents the expenses recorded pursuant to the aforesaid schemes for which the options are not yet vested or exercised. (*See Note 35 for further details on these plans*).

General reserve
General reserve is used to record the transfer from retained earnings of the Company. It is utilized in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve
The Company bought back 9,58,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018 and as per the provisions of the Companies Act, 2013, the Capital redemption reserve is used to record the reduction of the share capital of the Company on account of equity shares bought back out of the accumulated profits. It is created in accordance with the provisions of the Companies Act, 2013.

Dividends
The following dividends were declared and paid by the Company during the year :

	31 March 2021	31 March 2020
Interim dividend INR 10/- per equity share (31 March 2020 : INR 5 per equity share)	**52.84**	26.40
Final dividend of previous financial year 31 March 2021 : INR 15 per equity share (31 March 2020 : INR 20/- per equity share)	**79.31**	-

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities in the respective years. Dividends would attract dividend distribution tax when declared or paid. However, with the abolition of dividend distribution tax effective April 01, 2020, dividends will be taxable in the hands of recipient and hence Dividend Distribution Tax is not applicable.

INR Nil per equity share (31 March 2020 : INR Nil per equity share)	-	-

20 Borrowings

	31 March 2021	31 March 2020
Unsecured loan from related party *(refer note 38)*	**-**	2.50
	-	2.50

Note:
The loan from related party is unsecured and carries an interest rate of 9% p.a. The loan is repayable at the end of 5 years.

21A Lease liabilities

Non-current lease liabilities	**5.45**	5.69
Current lease liabilities	**3.04**	4.25
	8.49	9.94

21B Other financial liabilities

B Current		
Security deposits received		
from parties other than related parties	**10.28**	10.65
Employees dues	**6.89**	5.41
Creditors for capital goods	**6.14**	6.04
Unclaimed dividend	**0.12**	0.08
	23.43	22.18

Investor Education and Protection Fund ('IEPF') - As at 31 March 2021 (31 March 2020 : INR Nil) there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

		31 March 2021	31 March 2020
22	**Provisions**		
	See accounting policy in Note 3 K and 3 L		
A	**Non-current provisions**		
	Provision for employee benefits:		
	Provision for compensated absences	**9.37**	6.22
	Provision for gratuity *(refer note 34)*	**4.21**	1.94
		13.58	8.16
B	**Current provisions**		
	Provision for CSR spending	**2.19**	-
	Provision for employee benefits:		
	Provision for compensated absences	**1.11**	0.98
	Provision for gratuity *(refer note 34)*	**0.09**	0.03
		3.39	1.01
23	**Trade payables**		
	Trade Payables		
	- total outstanding dues of micro enterprises and small enterprises and *(See Note 39 (a))*	**0.53**	0.70
	- total outstanding dues of creditors other than micro enterprises and small enterprises	**24.48**	21.16
		25.01	21.86
24	**Current tax liabilities (net)**		
	See accounting policy in Note 3 P		
	Provision for current tax (net of advance tax and tax deducted at source)	**2.57**	0.75
		2.57	0.75
25	**Other current liabilities**		
	Contract liabilities - Advance from customers	**8.60**	4.73
	Advance received towards consideration for sale of capital assets held for sale *(Refer Note 4C)*	**27.20**	25.94
	Statutory dues *	**1.86**	0.97
		37.66	31.64

** Statutory dues include goods and services tax, tax deducted at source, local body tax, profession tax, employees provident fund and ESIC.*

(All amounts in Rs crores, unless otherwise stated)

26 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products (*See Note (i) below*)	**3.15**	5.54
Sale of services (*See Note (ii) below*)	**485.93**	421.87
	489.08	427.41
Other operating revenue	**5.54**	6.85
Total	**494.62**	434.26

Note:

(i) Sale of products comprises :

	Year ended 31 March 2021	Year ended 31 March 2020
Manufactured goods		
Radioactive pharmaceutical (FDG)	**1.81**	2.60
Traded goods		
Gluco meter / Glucose strips (GMGS)	**1.34**	2.94
Total	**3.15**	5.54
(a) Reconciliation of revenue from contracts with customers		
Revenue from contract with customer as per the contract price	**494.62**	434.26
Adjustments made to contract price on account of :-		
Discount / Rebates	**-**	-
Revenue from contract with customer	**494.62**	434.26
(b) Movement in Contract liabilities		
Opening Balance	**4.73**	4.56
Revenue recognised that was included in contract liability balance at the beginning of the year	**(4.73)**	(4.56)
Increases due to cash received, excluding amounts recognised as revenue during the year	**8.60**	4.73
Closing Balance	**8.60**	4.73

(ii) Sale of services comprises :

	Year ended 31 March 2021	Year ended 31 March 2020
Diagnostic Services	**455.77**	379.73
Sale of consumables for providing diagnostic services	**18.38**	31.11
Imaging Services	**11.78**	11.03
Total	**485.93**	421.87

27 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income (*See Note (i) below*)	**0.79**	0.70
Net gain on investments	**3.68**	4.78
Profit on sale of business undertaking	**1.64**	-
Others (*See Note (ii) below*)	**6.32**	1.19
	12.43	6.67

Note:

(i) Interest income comprises:

	Year ended 31 March 2021	Year ended 31 March 2020
Interest from banks on deposits	**0.58**	0.37
Interest on income tax refund	**0.02**	-
Interest on deposit for electricity	**-**	0.04
Others	**0.19**	0.29
Total - Interest income	**0.79**	0.70

(ii) Others comprises:

	Year ended 31 March 2021	Year ended 31 March 2020
Profit on sale of property, plant and equipment	**4.20**	0.01
Net gain on liquidation of associate	**-**	0.03
Miscellaneous income	**2.12**	1.15
Total - Others	**6.32**	1.19

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
28 a. Cost of materials consumed		
Opening stock	**20.24**	17.78
Add: Purchases	**165.55**	117.38
	185.79	135.16
Less: Closing stock	**23.26**	20.24
Cost of material consumed	**162.53**	114.92
Material consumed comprises:		
Reagents/ Diagnostics material	**138.49**	100.26
Radiopharmaceuticals	**0.96**	1.39
Consumables - laboratory	**18.82**	8.61
Consumables - processing	**2.82**	4.66
	161.08	114.92
28 b. Purchases of stock-in-trade		
Gluco meter / Glucose strips (GMGS)	**1.09**	2.25
	1.09	2.25
28 c. Changes in inventories of stock-in-trade		
Inventories at the end of the year:		
Gluco meter / Glucose strips (GMGS)	**1.85**	0.38
	1.85	0.38
Inventories at the beginning of the year:		
Gluco meter / Glucose strips (GMGS)	**2.13**	0.30
	2.13	0.30
Net change	**0.28**	(0.08)
29 Employee benefits expense		
Salaries, wages and bonus	**45.92**	38.57
Contributions to provident and other funds	**3.70**	3.51
Employees stock compensation expense	**1.68**	2.00
Gratuity	**0.52**	0.55
Compensated absences	**4.01**	2.31
Staff welfare expenses	**2.24**	1.98
	58.07	48.92

(All amounts in Rs crores, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
30	**Other expenses**		
	Outlab processing	**1.20**	1.47
	Power and fuel and water	**7.64**	8.69
	Rent	**0.84**	1.19
	Repairs and maintenance - Buildings	**2.07**	1.62
	Repairs and maintenance - Machinery	**6.36**	6.81
	Repairs and maintenance - Others	**0.03**	0.01
	Insurance	**0.09**	0.06
	Rates and taxes	**2.13**	1.00
	Communication	**1.05**	0.95
	Service charges	**34.36**	22.57
	Postage and courier	**2.55**	2.93
	Printing and stationery	**1.94**	2.95
	Sales incentive	**18.23**	17.76
	Advertisement expenses	**3.99**	0.72
	Business promotion	**1.67**	5.03
	Legal and professional fees	**9.20**	11.41
	Payments to the auditors *(See note (i) below)*	**0.46**	0.50
	Loss on foreign exchange fluctuation (net)	**0.14**	-
	Provision for doubtful debts	**0.43**	1.89
	Corporate social responsibility expense	**4.47**	4.09
	Share issue expenses	**0.02**	-
	Miscellaneous expenses	**2.51**	3.04
		101.39	94.68
	Notes:		
	(i) Payments to the auditors comprises *		
	Statutory audit and limited review fees	**0.44**	0.44
	Tax audit fees	**0.02**	0.04
	Reimbursement of out of pocket expenses	**(0.00)**	0.02
	** Payment to auditors is inclusive of GST, as applicable*		-
		0.46	0.50

31 Income tax

See accounting policy in Note 3 P

	Year ended 31 March 2021	Year ended 31 March 2020
A. Amount recognised in profit or loss		
Current tax		
Current period (a)	**44.14**	43.00
Changes in estimates related to prior years (b)	**0.11**	(0.25)
Deferred tax (c)		
Attirbutable to -		
Origination and reversal of temporary differences	**(4.93)**	9.26
Tax expense (a)+(b)+(c)	**39.32**	52.01
B. Amount recognised in other comprehensive income		
Re-measurement gains/ (losses) on defined benefit plans	**(0.48)**	0.04
Tax expense in other comprehensive income	**(0.48)**	0.04

C. Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before exceptional items, share of profit of associate and tax	**152.54**		146.48	
Tax using the Group's domestic tax rate	**38.39**	**25.17%**	36.87	25.17%
Effect of :				
Non-deductible expenses (net)	**1.16**	**0.8%**	3.68	2.5%
Tax exempt income	**-**	**-**	(0.08)	-0.1%
Derecognition of deferred tax assets in respect of unabsorbed depreciation and carried forward tax losses	**-**	**-**	8.20	5.6%
Others	**(0.70)**	**-0.5%**	3.34	2.3%
Effective tax rate	**38.85**	**25.5%**	52.01	35.5%

(All amounts in Rs crores, unless otherwise stated)

32 Earnings per share

	Year ended 31 March 2021	Year ended 31 March 2020
(i) Basic		
Net profit for the year attributable to equity shareholders	**113.15**	88.40
Weighted average number of equity shares outstanding during the year	**5,28,50,753**	5,28,10,058
Face value per share Rs.	**10**	10
Earnings per share - Basic (Rs.)	**21.41**	16.74
(ii) Diluted		
Net profit for the year attributable to equity shareholders	**113.15**	88.40
Weighted average number of equity shares for Basic EPS	**5,28,50,753**	5,28,10,058
Add: Equity shares reserved for issuance on ESOP	**1,03,054**	1,09,147
Weighted average number of equity shares - for diluted EPS	**5,29,53,807**	5,29,19,205
Face value per share Rs.	**10**	10
Earnings per share - Diluted (Rs.)	**21.37**	16.71

(All amounts in Rs crores, unless otherwise stated)

33 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments :

Reportable segments	**Operations**
Diagnostic Testing Services	Diagnostic and testing services, selling of consumables used for collection and promotion of pathology segment
Imaging Services	Diagnostic and imaging services, selling of radio-pharmaceutical, selling of consumables for reporting
Others: Sale of testing equipment and consumables	Selling of glucometer and glucostrips under the brand name *Sugarscan*

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group operates from its centralised laboratory, regional processing laboratories, medical cyclotron facility, PET-CT centres and corporate office in India and therefore does not have much of its operations in economic environments with different risks and returns, hence considering its operation from single geographical segment, the Company has not recognised geographical segment as its secondary segment for reporting.

	Reportable segments			**Total**
	Diagnostic Testing Services	**Imaging Services**	**Others**	
Segment revenue	**472.87**	**20.41**	**1.34**	**494.62**
Segment revenue	*398.11*	*34.09*	*2.94*	*435.14*
Less : Intersegment Revenue	**-**	**-**	**-**	**-**
	(0.88)	*-*	*-*	*(0.88)*
	-	-	-	-
Total segment revenue	**472.87**	**20.41**	**1.34**	**494.62**
	397.23	34.09	2.94	434.26
Segment profit (loss) before income tax	**149.30**	**(9.03)**	**0.08**	**140.35**
	144.41	*(6.51)*	*0.77*	*138.67*
Unallocable income net off other unallocable expenditure				**12.18**
				7.82
Profit before exceptional items and income tax				**152.53**
Profit before exceptional items and income tax				*146.49*
Exceptional items				**(0.07)**
				(6.58)
Segment assets	**206.55**	**92.08**	**0.10**	**298.73**
	160.00	*103.16*	*0.29*	*263.45*
Unallocable assets (includes assets held for sale Rs. 40.36 (PY Rs. 31.14)				**247.07**
				205.63
Total assets				**545.80**
				469.08
Segment liabilities	**76.66**	**34.94**	**0.06**	**111.65**
	61.56	*35.54*	*0.17*	*97.27*
Unallocable liabilities				**4.94**
				6.96
Total liabilities				**116.59**
				104.23
Other information				
Capital expenditure (allocable)	**39.10**	**0.07**	**-**	**39.17**
	13.59	*1.12*	*-*	*14.71*

Note : Figures in italic relates to the previous year 31 March 2020

The testing and imaging services to patients and sale of pharmaceuticals to customers are primarily in India and hence information about geographical areas of the operations was not disclosed seperately by the Group.

(All amounts in Rs crores, unless otherwise stated)

34 Employee benefits

A. Defined contribution plans

The Group makes Provident Fund, ESIC and Maharashtra Labour Welfare Fund contributions to 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 Group recognised INR 2.99 crore (31 March 2020 : INR 2.80 crore) for Provident Fund contributions, INR 0.66 crore (31 March 2020 : INR 0.70 crore) for ESIC contributions and INR 0.01 crore for Maharashtra Labour Welfare Fund (31 March 2020 : INR 0.01 crore) in the Statement of Profit and Loss during the year (*See note 29*). The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The Group does not expect any further liability other than the specified contributions.

B. Defined benefit plans

The Group offers the following employee benefit schemes to its employees :
- Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	31 March 2021	31 March 2020
a. Components of defined benefit plan expense		
i. Expenses recognised in profit or loss		
Current service cost	**0.38**	0.43
Interest cost	**0.13**	0.12
Total expense recognised in the Statement of Profit and Loss	**0.51**	0.55
ii. Expenses recognised in other comprehensive income		
Actuarial (gain) loss on defined benefit obligations	**1.87**	(0.16)
Total expense recognised in other comprehensive income	**1.87**	(0.16)
b. Net asset / (liability) recognised in the Balance Sheet		
Present value of unfunded obligation	**-4.30**	(1.97)
Net asset / (liability) recognised in the Balance Sheet	**(4.30)**	(1.97)
Net asset/ (liability) is bifurcated as follows :		
Current	**(0.09)**	(0.03)
Non Current	**(4.21)**	(1.94)
Net asset / (liability) recognised in the Balance Sheet	**(4.30)**	(1.97)
c. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the period	**1.97**	1.61
Current service cost	**0.39**	0.42
Interest cost	**0.13**	0.13
Actuarial (gains) / losses	**1.87**	(0.16)
Benefits paid	**(0.06)**	(0.03)
Present value of DBO at the end of the year	**4.31**	1.97
d. Actuarial assumptions		
Discount rate	**6.44%**	6.82%
Salary escalation	**4% p.a. for next 1 year, 9% p.a. for the year thereafter, 10% p.a. for all years thereafter**	2% p.a. for the next 1 year, 4% p.a. for the next 1 year, starting from the 2nd year 9% p.a. for the next 1 year, starting from the 3rd year 10% p.a. thereafter, starting from the 4th year
Rate of employee turnover	**Employees : For service 2 yrs. & below 35% p.a., For service 3 yrs. to 4 yrs. 20% p.a. & thereafter 2% p.a. Directors : 1% p.a.**	Employees : For service 2 yrs. & below 25% p.a., For service 3 yrs. to 4 yrs. 10% p.a. & thereafter 2% p.a. Directors : 1% p.a.
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Weighted average duration of defined benefit obligations	**20 years**	19 - 21 years
e. Maturity analysis of the benefit payments from the employer		
Projected benefits payable in future years from the date of reporting		
1st following year	**0.09**	0.03
2nd following year	**0.06**	0.06
3rd following year	**0.10**	0.03
4th following year	**0.07**	0.06
5th following year	**0.08**	0.04
Sum of years 6 to 10	**0.83**	0.50
Sum of years 11 and above	**15.66**	7.08

(All amounts in Rs crores, unless otherwise stated)

34 Employee benefits *(Continued)*

B. Defined benefit plans *(Continued)*

	31 March 2021	31 March 2020
f. Sensitivity analysis		
Projected benefits obligation on current assumptions		
Delta effect of +1% change in rate of discounting	**(0.69)**	(0.30)
Delta effect of -1% change in rate of discounting	**0.88**	0.37
Delta effect of +1% change in rate of salary increase	**0.71**	0.30
Delta effect of -1% change in rate of salary increase	**(0.60)**	(0.25)
Delta effect of +1% change in rate of employee turnover	**(0.21)**	(0.07)
Delta effect of -1% change in rate of employee turnover	**0.25**	0.09

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
There was not change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

35 Share-based payments

See accounting policy in Note 3 K

A. *Description of share-based payment arrangements*

During the year, the Company has offered stock options to the eligible employees under "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2020" (ESOS2020) vide authorisation of shareholders in the annual general meeting held on 29 September 2020. The options may be exercised either fully or partially in four equal instalments.
The employees were identified as those who had completed two years of service as on the date of sanction of the scheme, subject to their continuous service till the vesting period.

During the earlier years, the Company had offered stock options to the eligible employees under "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2019" (ESOS2019), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2018" (ESOS2018), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2017" (ESOS2017), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016" (ESOS2016) and "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015" (ESOS2015) vide authorisation of shareholders in their meetings held on 24 August 2019, 1 September 2018, 12 August 2017, 12 September 2016 and 26 September 2015 respectively. Under the respective scheme, the options may be exercised either fully or partially in four equal instalments. The employees were identified as those who had completed certain years of service subject to their continuous service till the vesting period.

Additionally, the Company formed a trust, 'Thyrocare Employee Stock Option Trust' wherein the shares to be issued under these options were allotted to the Trust. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left the organisation.

The key details of the various schemes are as under:

Scheme	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
ESOS2020	29-Sep-20	40,429	3 years	One year from vesting date	10	10
ESOS2019	24-Aug-19	40,423	3 years	One year from vesting date	10	10
ESOS2018	11-Aug-18	40,452	3 years	One year from vesting date	10	10
ESOS2017	12-Aug-17	50,516	3 years	One year from vesting date	10	10
ESOS2016	12-Sep-16	50,537	3 years	One year from vesting date	10	10

35 Share-based payments *(Continued)*

B. Employee stock option activity under the respective schemes is as follows:

Scheme	31 March 2021	31 March 2020
	No of Options	No of Options
ESOS2020		
Outstanding at 1 April	-	
Granted during the year	**40,429**	
Forfeited during the year	-	
Outstanding at 31 March	**40,429**	
ESOS2019		
Outstanding at 1 April	**37,189**	-
Granted during the year	-	40,429
Forfeited during the year	**4,105**	3,240
Outstanding at 31 March	**33,084**	37,189
ESOS2018		
Outstanding at 1 April	**34,270**	37,654
Forfeited during the year	**3,423**	3,384
Outstanding at 31 March	**30,847**	34,270
ESOS2017		
Outstanding at 1 April	**39,880**	43,320
Forfeited during the year	**1,826**	3,440
Exercised during the year	**38,054**	-
Outstanding at 31 March	-	39,880
ESOS2016		
Outstanding at 1 April	-	39,526
Forfeited during the year	-	1,767
Exercised during the year	-	37,759
Outstanding at 31 March	-	-

C. The key assumptions used to estimate the fair value of options are:

	31 March 2021	31 March 2020
Volatility	**21.65%**	21.65%
Expected life	**3.50 years**	3.50 years
Dividend Yield	**1.5%**	1.5%
Risk-free interest rate (based on government bonds)	**7.85%**	6.30%
Model Used	**Black-Scholes-Merton Formula**	Black-Scholes-Merton Formula

The expense arising from equity settled share based payment transaction amounting to INR 1.70 crore and INR 2.00 crore for the year ended 31 March 2021 and 31 March 2020 respectively have been recognised in the Statement of profit and loss.

Fair Value of the option as at the grant date

Plan	Grant date	Fair value in INR
ESOS2020	Tuesday, September 29, 2020	758.00
ESOS2019	Saturday, August 24, 2019	448.83
ESOS2018	Saturday, September 1, 2018	632.88
ESOS2017	Saturday, August 12, 2017	653.35
ESOS2016	Monday, September 12, 2016	577.04

(All amounts in Rs crores, unless otherwise stated)

36 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

	Note	Carrying amount			
31 March 2021 31 March 2020		**FVTPL**	**FVOCI**	**Amortised cost**	**Total carrying amount**
Financial assets					
Investments	**7**	**104.49**	**-**	**-**	**104.49**
		69.03	-	-	*69.03*
Loans	**8**	**-**	**-**	**3.48**	**3.48**
		-	-	*4.91*	*4.91*
Trade receivables	**14**	**-**	**-**	**44.68**	**44.68**
		-	-	*16.30*	*16.30*
Cash and cash equivalents	**15**	**-**	**-**	**13.20**	**13.20**
		-	-	*8.71*	*8.71*
Other bank balances	**15**	**-**	**-**	**2.53**	**2.53**
		-	-	*2.36*	*2.36*
Others	**9,16**	**-**	**-**	**9.14**	**9.14**
		-	-	*2.86*	*2.86*
		104.49	**-**	**73.04**	**177.52**
		69.03	-	*35.14*	*104.17*
Financial liabilities					
Borrowings	**20**	**-**	**-**	**-**	**-**
		-	-	*2.50*	*2.50*
Other financial liabilities	**21B**	**-**	**-**	**23.43**	**23.43**
		-	-	*22.18*	*22.18*
Trade payables	**23**	**-**	**-**	**25.00**	**25.00**
		-	-	*21.86*	*21.86*
		-	**-**	**48.43**	**48.43**
		-	-	*46.53*	*46.53*

Figures in italics pertains to previous year.

(All amounts in Rs crores, unless otherwise stated)

36 Financial instruments - Fair values and risk management *(Continued)*

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of investment in mutual funds is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
- The fair value of the quoted investments/units of mutual fund scheme are based on net asset value at the reporting date as published by the mutual fund.

The following table provides the fair value measurement hierarchy of the Company's financial instruments which are measured at fair value:

	31 March 2021			31 March 2020		
	Total	**Quoted prices in active markets (Level 1)**	**Level 3**	Total	Quoted prices in active markets (Level 1)	Level 3
Security Deposits	**2.08**	**-**	**2.08**	1.25	-	1.25
Investment in Mutual funds (Refer Note 7)	**104.49**	**104.49**	**-**	69.03	69.03	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed seperately.

	31-Mar-21	31-Mar-20
Opening balance	**1.25**	1.33
Additions during the period	**1.31**	0.24
Deletions during the period	**(0.43)**	(0.34)
Fair value movement	**(0.05)**	0.02
Closing balance	**2.08**	1.25

One percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument.
There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2020.

Description of significant unobservable inputs to valuation:

Name of financial asset	Security deposit
Valuation technique	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets.
Significant unobservable inputs	Discount rate

(All amounts in Rs crores, unless otherwise stated)

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- credit risk (see (C) (i));
- liquidity risk (see (C) (ii));
- market risk (see (C) (iii)).

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.
The Group has no significant concentration of credit risk with any counterparty.

Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.
The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the management.

Security deposits

These represents security deposits given towards laboratories taken on lease under contractual arrangement EMD deposit for participation in tender.

The Group limits its exposure to credit risk from trade receivables by establishing a credit limit that is linked to either category of the customer or the security deposits paid by the customer to avail the services.
In monitoring customer credit risk, customers are compared according to their credit characteristics, including whether they are individuals or legal entities, their geographic locations, industry, trading history with the Group and existence of previous financial difficulties, if any.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management (Continued)

ii. Credit risk (Continued)

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

	Carrying amount	
	31 March 2021	31 March 2020
Trade receivables (net of provision for doubtful debts)		
India	**41.85**	13.24
Other regions	**2.83**	3.32
	44.68	16.56

(All amounts in Rs crores, unless otherwise stated)

Expected credit loss (ECL) assessment for individual customers as at 31 March 2021 and 31 March 2020

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.
At March 31, 2020, the ageing of trade receivables that were not impaired was as follows.

	Total		**Related parties**		**Others**	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
1-30 days past due	**5.04**	6.04	**0.50**	0.32	**4.54**	5.72
31-60 days past due	**3.82**	1.72	**1.01**	0.54	**2.81**	1.18
61-90 days past due	**2.61**	1.20	**0.85**	0.37	**1.76**	0.83
91-180 days past due	**3.56**	2.98	**1.41**	1.95	**2.15**	1.03
More than 180 days past due	**1.53**	0.22	**0.77**	-	**0.76**	0.22
	16.56	12.16	**4.54**	3.18	**12.02**	8.98

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's

Exposure to liquidity risk
The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management (Continued)

iii. Liquidity risk (Continued)

	Carrying amount as on 31 March 2020 *31 March 2019*	**Total**	**upto 1 year**	**more than 1 year**
Non-derivative financial liabilities				
Borrowings	**2.50**	**2.50**	-	2.50
	2.50	*2.50*	-	*2.50*
Trade payables	**21.86**	**21.86**	21.86	-
	7.51	*7.51*	*7.51*	-
Lease Liabilities	**9.94**	**11.82**	5.11	6.71
	-	-	-	-
Other financial liabilities	**22.18**	**22.18**	22.18	-
	15.64	*15.64*	*15.64*	-

(All amounts in Rs crores, unless otherwise stated)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Group. The functional currency for large number of transactions of the Group is INR and majority of the customers the Group dealt with operate from India only. The Group receives more than 98% of its revenue from the domestic operations only.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows.

	INR	USD
Trade receivables	**5.79**	**0.08**
	3.79	*0.05*
Trade payables	**0.93**	**0.01**
	0.37	*0.01*
Net exposure in respect of recognized assets and liabilities	**4.87**	**0.07**
	3.41	*0.05*

36 Financial instruments - Fair values and risk management *(Continued)*

C. Financial risk management (Continued)

iv. Market risk (Continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR or US dollar at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
	Strengthening	**Weakening**
31 March 2020		
INR (10% movement)	0.49	-0.49
31 March 2019		
INR (10% movement)	0.34	-0.34

(All amounts in Rs crores, unless otherwise stated)

37 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2021	31 March 2020
Contingent liabilities		
Claims against the Company not acknowledged as debts		
a. Property tax demand	**-**	3.83
b. Income tax demands - TDS matter	**49.22**	49.22
c. Other income tax matters	**1.09**	0.76
d. Employees provident fund matter	**0.52**	0.52

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

		31 March 2021	31 March 2020
Commitments			
a	Commitments relating to long term arrangement with vendors (*see note (i)*)	**78.98**	180.54

i The Group has entered into Reagent Rental Arrangements for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments for the remaining number of years are Rs. 78.98 crore (31 March 2020 : Rs. 180.54 crore) of which annual commitment for next year is Rs. 36.78 crore (31 March 2020 : Rs. 101.57 crore) as per the terms of these arrangements.

(All amounts in Rs crores, unless otherwise stated)

38 Related parties

Description of relationship	**Names of related parties**
Associates	Equinox Labs Private Limited (From 28 March 2018)
	Thyrocare International Holding Company Limited, Mauritius (liquidated during the year ended 31 March 2020)
Enterprise over which directors and their relatives exercise control or influence, where transactions have taken place during the year	Thyrocare Gulf Laboratories WLL
	Sumathi Healthcare Private Limited (Previously known as Sumathi Construction Private Limited)
	Pavilion Commercial Private Limited
	Sumathi Infra Project LLP
	Mahima Advertising LLP
	Thyrocare Publications LLP
	Thyrocare Properties & Infrastructure Private Limited
	Sumathi Memorial Trust
Key Management Personnel (KMP)	Dr A Velumani, Managing Director
	A Sundararaju, Director
	Anand Velumani, Director
	Amruta Velumani, Director
Relatives of KMP	Dr A Velumani HUF (HUF in which Dr A Velumani is Karta)
	A Sundararaju HUF (HUF in which A Sundararaju is Karta)
	S Susila (sister of Dr A Velumani)

B. Transactions with key management personnel

i. Key management personnel compensation

	Year ended 31 March 2021	Year ended 31 March 2020	**Balance outstanding 31 March 2021**	Balance outstanding 31 March 2020
Dr A Velumani	**0.00***	(0.00)*	**0.00**	0.00
A Sundararaju	**0.55**	0.55	**-**	-
	0.55	0.60	**0.00**	0.04

** Amount less than Rs. 1 lakh*

As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included.

ii. Transactions with key management personnel including directors

	Transaction value		**Balance outstanding**	
	Year ended 31 March 2021	Year ended 31 March 2020	**31 March 2021**	31 March 2020
Dividend paid				
Dr A Velumani	**14.82**	37.02	**-**	-
A Sundararaju	**0.25**	0.62	**-**	-
Amruta Velumani	**0.75**	1.88	**-**	-

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

38 Related parties *(Continued)*

C. Related party transaction other than those with key management personnel

	Transaction value		Balance outstanding	
	Year ended 31 March 2021	Year ended 31 March 2020	**31 March 2021**	31 March 2020
Material sale				
Sumathi Healthcare Private Limited	**0.16**	-	-	-
Rent Paid / payable				
Sumathi Healthcare Private Limited		-		-
Outlab processing charges paid / payable				
Equinox Labs Private Limited	**0.00***	0.02	**0.03**	0.03
Payment of lease liabilities				
Sumathi Healthcare Private Limited	**0.41**	1.27	**0.35**	0.70
Loan taken from				
Pavilion Commercial Private Limited	-	-	-	2.50
Loan Repaid				
Pavilion Commercial Private Limited	**2.50**	-	-	-
Interest paid				
Pavilion Commercial Private Limited	**0.14**	0.23	-	-
Revenue from operations				
Thyrocare Gulf Laboratories WLL	**0.83**	3.96	**1.01**	2.53
Sumathi Memorial Trust *(refer note)*	**0.32**	3.80	**0.18**	**1.19**
Receipt on liquidation of investment				
Thyrocare International Holding Company Ltd, Mauritius	-	0.03	-	-
Testing charges paid/ payable				
Sumathi Healthcare Private Limited	**1.51**	-	-	-
Loss on liquidation of investment (for which provision made in earlier years)				
Thyrocare International Holding Company Ltd, Mauritius	-	1.59	-	-
Provision for doubtful trade receivables				
Thyrocare Gulf Laboratories WLL	-	1.62	**2.27**	2.27
Reimbursement of expenses paid				
Thyrocare Gulf Laboratories WLL	**0.01**	0.36	-	-
Sumathi Healthcare Private Limited	**0.34**	0.86	-	-
Reimbursement of expenses received				
Sumathi Healthcare Private Limited	**0.29**	0.99	**0.08**	-
Technical assistance fees income				
Thyrocare Gulf Laboratories WLL	**2.17**	1.06	**2.60**	3.09
Sale of property, plant and equipment, addition to capital work-in-progress				
Thyrocare Gulf Laboratories WLL	**0.18**	-	-	-
Dividend paid				
Anand Velumani	**0.63**	1.58	-	-
Dr A Velumani HUF	**1.49**	3.55	-	-
A Sundararaju HUF	**2.42**	6.04	-	-
Sumathi Infra Project LLP	**1.58**	3.94	-	-
Mahima Advertising LLP	**1.26**	3.15	-	-
Thyrocare Properties & Infrastructure Private Limited	**5.22**	13.04	-	-
Thyrocare Publications LLP	**6.53**	16.34	-	-
Pavilion Commercial Private Limited	**0.01**	0.03	-	-
Advances received towards sale of property				
Sumathi Healthcare Private Limited	-	25.00	**25.00**	25.00
Investment in equity instruments (At historical cost)				
Equinox Labs Private Limited	-	-	**20.00**	20.00
Security deposits given/ (repaid)				
Sumathi Healthcare Private Limited	-	-	**1.54**	1.54

Notes :

i. The key management personnel, or their related parties, hold position in other entities that result in them having control or significant influence over these entities. These entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were at arm's length and in the normal course of the business.

ii. Sumathi Memorial Trust, a charitable trust managed by the promoters of the Company as trustees, in tie up with other NGO subsidised the cost of PETCT scans for the cancer patients who can not afford the cost of the PETCT scan, by direct payment to the Company towards PETCT scans of such cancer patients.

(All amounts in Rs crores, unless otherwise stated)

39 Additional information to the financial statements

a. Due to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 are set out in following disclosure. This has been relied upon by the auditors.

		31 March 2021	31 March 2020
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**0.53**	0.70
(ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

b. The Group's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Group's international transactions and domestic transactions with related parties post 31 March 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

c. Disclosure as per the Advisory issued by the Securities and Exchange Board of India of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'LODR Regulations'/ 'LODR')

Impact on business

The novel coronavirus [COVID-19] pandemic continues to spread around the globe rapidly. The virus has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminate.

In view of the lockdown across the country due to the outbreak of COVID pandemic during the previous year, operations of the Company (collection centers, imaging centers, centralized processing laboratory, regional processing laboratories and offices, etc.) were scaled down or shut down from second half of March 2020. Although some of the states have initiated measures to lift the lockdown either partially or fully in the later part of the financial year, the duration of this lockdown was uncertain in almost all the states. Due to surge of COVID-19 cases in India, in the month of March 2021, the country might face partial/ full lockdown.

The Company has resumed its full operations in the second quarter of financial year and as compared to the previous year is better equipped to manage the operations effectively in the event of a lockdown.

The Company is also authorized by ICMR to perform COVID-19 tests using RT-PCR technology.

The Company continues to closely monitor the situation and will take appropriate action as necessary to scale up operations in compliance with the applicable regulations. As per the Company's current assessment , there is no significant impact estimated in respect of the carrying amounts of assets of the Company including inventories, intangible assets, trade receivables, investments and other financial assets, and the Company continues to closely monitor changes in future economic conditions. In view of the estimation uncertainty arising from the unprecedented nature of the COVID-19 pandemic, the eventual outcome of the impact of the pandemic may be different from that estimated as on the date of approval of these financial results.

(All amounts in Rs crores, unless otherwise stated)

39 Additional information to the financial statements *(Continued)*

Estimation uncertainty arising from COVID

The Group continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

Steps taken for smooth functioning of operations

The business of the Group largely depends on the test requisitioned by the medical practitioners, hospitals, clinics and dispensaries. The tests requisitioned are processed at the centralised processing laboratory or at regional processing laboratory. The Group has adequate resources to ensure that the samples are routed to the centralised processing laboratory or at regional processing laboratory. Meanwhile, the Group, being engaged into healthcare, has already taken all adequate measures to ensure safety of its employees, executives, senior employees, directors, vendors and customers, to ensure smooth and safe functioning of operations.

Other disclosures

The Group has conserved sufficient liquid resources to ensure the operations of the Group are conducted smoothly.

The Group has no debt obligations as on date and there are no any impact foreseen on the assets of the Group, other thant already disclosed in this financial statement or this disclosure.

The Group has inculcated prudent financial discipline among the management team to ensure maintenance and improvising the financial stability and strength of the Group through enhanced internal financial reporting and better control.

f. Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group, the primary objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Group consists of equity attributable to the owners of the Company, comprising issued capital, reserves and accumulated profits as presented in the statement of changes in equity.

Consequent to such capital structure, there are no external imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or reinvestment into business based on its long term financial plans.

(All amounts in Rs crores, unless otherwise stated)

39 Additional information to the financial statements *(Continued)*

g. Details of interests in subsidiaries and associates
Subsidiaries
The details of the Company's subsidiaries at 31 March 2020 is set below.
The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding % As on	
		31 March 2021	31 March 2020
Nueclear Healthcare Limited	India	**100%**	100%

Associates
The details of the Company's associates at 31 March 2020 is set below.
The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding % As on	
		31 March 2021	31 March 2020
Equinox Labs Private Limited	India	**30%**	30%
Thyrocare International Holding Company	Mauritius	**-**	9.09%

Thyrocare International Holding Company was liquidated during the current year and the Company has received the liquidation proceeds during the current year.

h. Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013.

Name of the enterprises	Net assets i.e total assets minus total liabilities		Share in profit or loss	
	As (%) of consolidated net assets	Amount (INR in crore)	As (%) of consolidated profit and loss	Amount (INR in crore)
Parent group				
Thyrocare Technologies Limited	104.25%	445.46	104.60%	118.36
Subsidiary				
Nueclear Healthcare Limited	10.17%	43.48	-5.85%	(6.61)
Eliminations	-14.43%	(61.65)	1.25%	1.41
	100.00%	**427.28**	**100.00%**	**113.15**

i. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Thyrocare Technologies Limited
CIN - L85110MH2000PLC123882

Amar Sunder
Partner
Membership No: 078305

Dr. A Velumani
Managing Director
DIN - 00002804

A Sundararaju
Director and Chief Financial Officer
DIN - 00003260

Ramjee D
Company Secretary
Membership No - F2966
8 may 2021

Mumbai
8 May 2021

OTHER FINANCIAL INFORMATION

Set forth below are the details of accounting ratios as of three months ended June 30, 2021, Financial Year ended 2021 and the period ended 2020, calculated on the basis of the Restated Consolidated Financial Information:

Particulars	Three months period ended June 30, 2021	Fiscal	
		2021	2020
Restated loss attributable to owners of the parent (₹ in millions) (A)	(3,317.78)	(6,361.89)	(3,352.23)
Weighted average number of equity shares in calculating basic loss per share (B)	4,29,75,499	3,07,68,101	2,59,55,107
Weighted average number of equity shares in calculating diluted loss per share (C)	4,29,75,499	3,07,68,101	2,59,55,107
Basic loss per share (₹) (D=A/B)	(77.20)	(206.77)	(129.15)
Diluted loss per share (₹) (E=A/C)	(77.20)	(206.77)	(129.15)
Weighted average number of equity shares in calculating basic loss per share - post stock split and issuance of bonus equity shares (F)	4,72,73,04,891	3,38,44,91,110	2,85,50,61,770
Weighted average number of equity shares in calculating diluted loss per share - post stock split and issuance of bonus equity shares (G)	4,72,73,04,891	3,38,44,91,110	2,85,50,61,770
Basic loss per share (₹) (H=A/F) - post stock split and issuance of bonus equity shares	**(0.70)**	**(1.88)**	**(1.17)**
Diluted loss per share (₹) (I=A/G) - post stock split and issuance of bonus equity shares	**(0.70)**	**(1.88)**	**(1.17)**
Net worth (₹ in millions)* (J)	45,180.25	34,393.80	2,462.42
Restated loss attributable to owners of the parent (₹ in millions) (K)	(3,317.78)	(6,361.89)	(3,352.23)
Return on net worth (%) (L=K/J)	(7.3%)	(18.5%)	(136.1%)
Net worth (₹ in millions)* (M)	45,180.25	34,393.80	2,462.42
Number of equity shares outstanding at the end of the period/year used in calculation of basic and diluted loss per share (N)	4,60,83,884	3,90,93,529	2,63,40,558
Restated Net asset value per Equity Share (₹) (O=M/N)	980.39	879.78	93.48
Number of equity shares outstanding at the end of the period/year used in calculation of basic and diluted loss per share post share split and issuance of bonus equity shares (P)	5,06,92,27,240	4,30,02,88,190	2,89,74,61,380
Restated Net asset value per Equity Share (₹) (Q=M/P) - post share split and issuance of bonus equity shares	8.91	8.00	0.85
Restated loss for the period / year (₹ in millions) (R)	(3,138.91)	(6,413.36)	(3,352.79)
Total tax expenses/(credit)(₹ in millions) (S)	(58.66)	210.70	(116.77)
Finance costs (₹ in millions) (T)	205.80	434.31	118.86
Depreciation and amortization expense (₹ in millions) (U)	170.43	329.01	187.71
Other income (₹ in millions) (V)	104.52	253.93	699.06
EBITDA (₹ in millions) (W=R+S+T+U-V)	(2,925.86)	(5,693.27)	(3,862.05)
Employee Share based payment expense (₹ in millions) (X)	97.73	568.08	239.20
Adjusted EBITDA (₹ in millions) (Y=W+X)	(2,828.13)	(5,125.19)	(3,622.85)

* *Net worth is computed as the sum of the aggregate of paid-up equity share capital, share application money, instruments entirely in the nature of equity, Equity component of compound financial instruments, Money received against share warrants and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Statements). Net worth represents equity attributable to owners of the Company and does not include amount attributable to non-controlling interests.*

The audited standalone financial statements of our Company and our Material Subsidiaries for the Fiscals ended March 31, 2021 and March 31, 2020, respectively ("**Audited Financial Statements**"), for the periods of existence of the parent-subsidiary relationship, as applicable, are available at https://www.apiholdings.in/reports.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision.

None of the advisors of our Company, nor any of the BRLMs, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the three months ended June 30, 2021, Financial Year 2021 and the period ended 2020, see "*Financial Information - Restated Consolidated Financial Information – Note 49*" on page 322.

FINANCIAL INDEBTEDNESS

Our Company and certain of its Subsidiaries have availed loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements. For details of the borrowing powers of our Board, see "*Our Management – Details of Borrowing powers*" on page 232.

The following table sets forth the details of the aggregate consolidated outstanding borrowings of our Company and our Subsidiaries as of September 15, 2021:

(₹ in million)

Category of borrowing	Sanctioned amount	Outstanding amount
Secured		
Term loans	20,279.00	20,099.10
Non-convertible debentures	1,213.95	1,180.59
Compulsorily convertible debentures	-	-
Working capital facilities		
- Fund based	2,114.00	978.15
- Non-fund based	28.76	28.76
Unsecured		
Term loans	1,600.70	1,600.70
Non-convertible debentures	1,000.00	1,000.00
Compulsorily convertible debentures	60.00	60.00
Total	**26,296.41**	**24,947.30**

As certified by Saini Pati Shah & Co LLP, Chartered Accountants, through a certificate dated November 7, 2021.

Principal terms of the outstanding borrowings availed by us:

1. ***Interest:*** The interest rates of the borrowings availed by our Company and certain of our Subsidiaries range between 7.80% and 15.5% per annum. Further, the coupon rates of non-convertible debentures issued by our Company are 15.5% per annum and some compulsorily convertible debentures issued by our Subsidiaries are 0.01%.

2. ***Penal Interest:*** In terms of borrowings availed by certain of our Subsidiaries, the lenders may charge a penal interest of up to 3% over and above the interest rate for all over dues and delays of any monies payable (both principal and interest).

3. ***Security:*** Our Company and certain of our Subsidiaries, in the ordinary course of business, have provided corporate guarantees to the lenders as part of facilities availed by certain of our Subsidiaries. In terms of the borrowings by certain of our Subsidiaries where security needs to be created, security is created by way of *pari passu* charge on their fixed assets and current assets (both present and future), pledge of shares, exclusive mortgage and hypothecations over properties, etc.

4. ***Repayment and Tenor:*** The repayment period for the loans availed by our Company and certain of our Subsidiaries is up to 5 years and redemption period for non-convertible debentures issued by certain of our Subsidiaries is up to 3 years for debentures and our Company and Subsidiaries are required to repay the borrowings availed in accordance with the repayment schedule stipulated in the relevant loan documentation. Certain of our Subsidiaries have also been given loans by their respective directors which are repayable on demand.

5. ***Key Covenants:*** In terms of borrowing arrangements, our Company and certain of our Subsidiaries are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and are required to take the lender's prior consent and/or intimate the respective lender before carrying out such actions, including, but not limited to the following:

   a) take prior consent of the lenders to enter into any scheme of merger, amalgamation, compromise or reconstruction of the Company and its Subsidiaries;

   b) take prior consent of the lenders for effecting any material change in the management of our business;

   c) take prior consent of the lenders to make any amendments in the Company's Memorandum and Articles;

   d) take prior consent of the lenders for effecting any change in capital structure which will lead to a change in control;

   e) take prior consent of the lenders to create, assume or incur any further indebtedness of a long-term nature whether for borrowed money or otherwise;

f) take prior consent to effect any dividend payout or capital withdrawal, in case of delays in payment of dues or breach of financial covenants;

g) take prior consent of the lenders to diversify into non-core areas viz business other than the current business;

h) take prior consent to undertake any guarantee obligations or extend letter of comfort, on behalf of any other company, person, trust or any third party;

i) take prior consent before investing in, or extending any advances or loans, to any group company, associates, subsidiary or any other third party;

j) take prior consent in case of any change in the founder directors of the Company;

k) take prior consent of the lenders to effect any buy-back of securities;

l) prepayment of loans of certain of our Subsidiaries upon the occurrence of any event that results in dilution of equity share capital of our Company.

6. ***Events of Default:*** The borrowing arrangements entered into by our Company and certain of our Subsidiaries prescribe events of default, including among others:

a) failure or inability to make any payment of principal or interest when due and payable;

b) cross default in case of defaults on obligations to any of its financial creditors;

c) bankruptcy, insolvency or dissolution of our Company;

d) deterioration or impairment of the securities or any part thereof;

e) breach or default in performance or observance in the agreement or any of the covenant;

f) liquidation or amalgamation without prior consent of the lenders;

g) change of ownership or control;

h) imposition of any moratorium or other protection from creditors on the indebtedness of our Company;

i) if any substantial change in the constitution or management occurs without the prior consent of the lenders.

j) transactions contemplated by the Transaction Documents become illegal or unlawful or unenforceable;

k) material adverse effect and material litigation

l) any nationalization or expropriation of the issuer or all or a substantial part of its assets

m) any amendment to the constitutional documents which in the opinion of the lenders is prejudicial to their rights under the facility documents or is inconsistent with facility documents.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.

7. ***Consequences of occurrence of events of default:*** In terms of the facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, our lenders may:

a) Seek immediate acceleration of all dues and obligations;

b) enforce the security and invoke guarantees provided;

c) impose of penal interest over and above the contracted rate on the amount in default; and

d) have a right to appointment its nominee as receiver and appointment of an observer.

e) Enforce any covenant or undertaking under the facility documents.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2021, derived from the Restated Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" beginning on pages 687 and 43, respectively.

(₹ in million)

Particulars	Pre-Offer as at June 30, 2021	As adjusted for the proposed Issue#
Borrowings		
- Non-current borrowings (I)*	2,230.35	
- Current Borrowings (II)*	2,321.41	
Total Borrowings (A)= (I) + (II)*	**4,551.76**	**[●]**
Equity		
- Share capital*	295.35	**[●]**
- Share application money*	1,876.24	
- Instruments entirely in the nature of equity*	764.89	**[●]**
- Equity component of compound financial instruments*	828.90	
- Reserves and surplus*	41,414.87	**[●]**
Equity attributable to owners of parent (B)	**45,180.25**	**[●]**
Total Borrowings to equity ratio (A/B)	**0.10**	**[●]**
Non-current borrowings/ Equity attributable to owners of parent	**0.05**	**[●]**

Notes:

* *These terms shall carry the meaning as per Schedule III of the Companies Act.*

\# *The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same have not been provided in the above statement. To be updated upon finalization of the Issue Price and Issue Expenses.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition, results of operations and cash flows for Fiscal 2020 and Fiscal 2021, and for the three months ended June 30 2021. Unless otherwise stated, the financial information and cash flows in this section has been derived from the Restated Consolidated Financial Information.
Our financial year ends on March 31 of each year. Accordingly, references to "Fiscal 2021" are to the 12-month period ended March 31, 2021. Fiscal 2020 includes period from March 31, 2019 to March 31, 2020 because our Company was incorporated on March 31, 2019.

*Ind AS differs in certain respects from, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "**Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows**" on page 70. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 43 and 23, respectively.*

Overview of Our Business

We are India's largest digital healthcare platform (based on GMV of products and services sold for the year ended March 31, 2021), according to RedSeer Report. We operate an integrated, end-to-end business that aims to provide solutions for healthcare needs of consumers across all critical stages starting with

A. providing digital tools and information on illness and wellness,

B. offering teleconsultation,

C. offering diagnostics and radiology tests, and

D. delivering treatment protocols including products and devices.

Our custom-built proprietary technology, unified data platforms, supply chain capabilities, and deep understanding of the dynamic interplay between the various sub-segments of India's healthcare market are the capabilities that differentiate us. These capabilities enable us to provide each stakeholder in the healthcare value-chain, viz.:

(a) channel (wholesalers, retailers and chemists / institutions),

(b) consultants (and hospitals), diagnostic and radiology labs,

(c) consumers, and

(d) companies (pharmaceutical, nutraceutical, medical devices)

with the technology tools and capabilities to solve their challenges, while also enabling them to benefit from an interconnected network. At the same time, they also enable us to build a scaled presence, allowing our platform to reach a wide base of stakeholders across the length and breadth of this country. Our businesses have a presence across the country, with last-mile capabilities to deliver in over 18,587 pin codes (for June 2021) via PharmEasy marketplace, allowing us the ability to provide access in an affordable manner. Our platform has scaled across urban, semi-urban and rural India, with an ability to serve people across income groups and geographies.

We were incorporated on March 31, 2019 and have therefore included financial information as of and for two fiscal years, Fiscal 2020 and 2021, and three months ended June 30, 2021. We have grown significantly since our incorporation, also as a result of multiple strategic mergers and acquisitions, some of which are significant. As a result, the Restated Consolidated Financial Information of our Company for Fiscal 2021 is not strictly comparable to those for Fiscal 2020. Our Pro Forma Consolidated Financial Information as at and for the Fiscal 2021 and three months ended June 30, 2021 present the estimated impact of these acquisitions on our Company, including the results of operations and the financial position that would have resulted, had these acquisitions been completed on prior dates. For example, the pro forma consolidated balance sheets as at March 31, 2021 and June 30, 2021 have been prepared, as if the acquisitions have taken place on March 31, 2021 and June 30, 2021, respectively. The pro forma consolidated statement of profit and loss for the three months ended June 30 2021 has been prepared as if the acquisitions have taken place on April 1, 2021, and the pro forma consolidated statement of profit and loss for Fiscal 2021 has been prepared as if the acquisitions have taken place on April 1, 2020.

We have witnessed strong operating and financial performance over the past two years, aided by both organic and inorganic growth. Our full-stack presence ensures that we have multiple monetization streams including sale of products, and sale of services (including sale of software and technology offered to pharmacies, wholesalers and doctors).

Our Business Model

We have three revenue lines: (i) Sale of products, (ii) Sale of services, and (iii) Other operating revenue.

Revenue

Revenue from Sale of Products

We sell pharma, OTC, our private label medical products, surgical products and consumables which we source from pharmaceutical companies or from wholesalers to retailers, chemists and institutions. We segregate revenue from sale of these products into two categories: (i) Distribution to chemists and institutions, which typically include pharmacies and hospitals to whom we sell products, both directly as well as using technology provided by Retailio , and (ii) Distribution to retailers, which are typically registered sellers on the PharmEasy marketplace. In September 2021, we acquired Aknamed, which strengthened our technology-enabled supplier business of supplying pharmaceutical products, medical consumables, and other surgical products to hospitals, clinics and medical centres. We expect this acquisition to have a significant impact on our revenue from sale of products going forward.

Revenue from sale of products is recorded as realization of sale value of goods net of any discounts and taxes.

Revenue from Sale of Services

We derive revenue from sale of services from the following:

Diagnostics: We provide diagnostic services to hospitals, diagnostic companies, independent phlebotomists and consumers including on PharmEasy marketplace. We strengthened this business through the acquisition of Thyrocare in September 2021. Thyrocare offers a comprehensive portfolio of 283 diagnostics tests through 17 owned diagnostics labs and approximately 4,500 diagnostics collection centres as of March 31, 2021. Our rate card for tests varies based on the sourcing channel, the test type and the volume. As a result of this acquisition, we expect to derive a significant portion of our revenue from sale of services from diagnostics services.

Retailio: We derive revenues through advertisements and lead generation. We currently do not charge any take-rate on the third-party GMV generated using technology provided by Retailio.

Services for doctors: We provide teleconsultation tools to doctors. We currently do not charge any take-rate on the online consultation charges earned by doctors through our platform.

Others: We earn revenue from sale of RedBook software to pharmacies and license and platform fees (from Axelia for the use of the PharmEasy brand and technology that we license to them). Pursuant to the licensing agreement between our Company and Axelia for use of the technology platform underlying the PharmEasy marketplace and related brand, we receive a percentage of the GMV transacted on the PharmEasy marketplace on a monthly basis.

Other Operating Revenue

Logistics: We provide last mile delivery services, including to Axelia for fulfilling the orders on the PharmEasy marketplace and earn delivery income for this service.

Lease of software and hardware: We earn revenues from the lease of EMR and practice management software and hardware to doctors (on Docon).

Expenses

Our major expenses include (i) purchase of stock-in-trade and changes in inventories in stock-in-trade, (ii) employee benefits expense, (iii) sales promotion and marketing expense and (iv) certain other expenses such as manpower charges, contractual payment for delivery associates, information technology expenses and consumption of packing materials and consumables.

Purchase of stock-in-trade is the purchase price of the products procured from pharmaceutical companies and wholesalers. Changes in inventories in stock-in-trade for a fiscal period relate to the difference in the opening stock and the closing stock of products owned by us during such fiscal period.

Employee benefits expenses include salaries, wages and allowances that we pay to our employees, and employee share based payment expenses.

Sales promotion and marketing expenses comprise cost incurred to attract new and retain existing healthcare ecosystem stakeholders to our platform. These include digital marketing, print and television advertisements, affiliate marketing, brand promotion, and related expenses for promoting our various brands, including the PharmEasy brand that we have licensed to Axelia.

Other expenses primarily include manpower charges, information technology expenses, contractual payment for delivery associates, and consumption of packing materials and consumables. Manpower charges, contractual payment for delivery associates and consumption of packing materials and consumables primarily relate to costs associated with our warehousing and logistics operations.

Principal Factors Affecting our Financial Condition and Results of Operations

The following describes certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Growth in our Stakeholder Relationships

Growing depth and breadth of our relationships with various stakeholders across the healthcare ecosystem has enabled us to scale. Consequently, the success of our platform depends on our ability to rapidly grow our active stakeholders, both by nurturing existing relationships, and attracting new ones. As the number of stakeholders on our platform increases, the products and services they avail also increases, leading to higher revenue for us. The expansion in our stakeholder relationships is expected to be primarily driven through our platform's value proposition to them and our ability to offer them the products and services that best suit their healthcare requirements. We plan to continue to invest in sales promotion and marketing of our brands and platform, our supply chain infrastructure and technology infrastructure to continue to grow our stakeholder relationships. For example, we plan to use a portion of the proceeds from this Issue for such purposes. See "*Objects of the Issue*" on page 128.

There were 87,194 pharmacies, 3,261 wholesalers, 4,617 doctors for the month of June, 2021 and 926 hospitals on our platform for the three month ended as of 30 June 2021.

Annual Transacting Users on PharmEasy

The growth of our revenue from distribution to retailers selling on the PharmEasy marketplace has been driven by the ability of PharmEasy marketplace operated by Axelia to attract new consumers as well as retain and increase the engagement and transactions by existing consumers on the marketplace. Furthermore, the increasing number of transacting users on the PharmEasy marketplace has enabled us to provide such transacting users with services such as diagnostics to cater to their various healthcare-related needs. Hence, we have invested, and will continue to invest, our sales and marketing efforts to continue building the PharmEasy brand, which is owned by us and licensed to Axelia.

The number of annual transacting users with fulfilled orders on the PharmEasy marketplace have grown from 2 million during Fiscal 2020 to 2.4 million during Fiscal 2021. For the three-month period ended June 30, 2021, there were 2.1 million transacting users with fulfilled orders on the PharmEasy marketplace. As of June 30, 2021, there were 25 million total registered users on the PharmEasy marketplace.

In January 2021, we acquired Medlife, a digital healthcare company, whose operations have since been integrated with PharmEasy marketplace. In Fiscal 2021 and the three months ended June 30, 2021, 1.7 million and 0.5 million users transacted on Medlife, respectively.

Due to the impact of the country-wide lockdowns due to the COVID-19 pandemic, PharmEasy experienced high volumes of transacting users after the lockdown was lifted starting with the three months ended September 30, 2020. Orders also witnessed an upside compared to pre-COVID time periods, as more users started transacting across the services (online pharmacy, OTC, teleconsultation and eDiagnostics).

In addition to the impact of COVID-19 pandemic, the growth in annual transacting users from Fiscal 2020 to Fiscal 2021 has been due to (i) the expansion to new geographies, which has enabled us to widen our distribution of pharma and OTC products to more pharmacies that sell on the PharmEasy marketplace, (ii) the widening coverage of pharma and OTC products sold by us, which has resulted in pharmacies on the PharmEasy marketplace to offer a wider SKU base, thereby improving fill-rates while fulfilling consumers' orders, and (iii) the improvement in delivery times for home delivery of orders placed on the PharmEasy marketplace, driven by improvement in the efficiency of our last-mile fulfilment services.

Furthermore, the number of repeat users has also been increasing on PharmEasy marketplace across the periods. There were 0.4 million, 0.8 million and 1.3 million repeat transacting users with at least one fulfilled order on PharmEasy marketplace during Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021 respectively. This has resulted in an increase in the share of GMV from existing users on PharmEasy marketplace increasing from 51% in Fiscal 2020, to 64% to Fiscal 2021. Furthermore, the share of GMV from repeat users was 79% for the three-month period ended June 30, 2021.

Our Active Pharmacy relationships

The growth in our revenue from distribution to chemists and institutions and from services, is driven by the addition of new pharmacy relationships, as well as through the retention of existing ones. Furthermore, the growth in the number of active pharmacies using Retailio also enables us to grow our revenue from sale of services from lead generation and advertising that we provide through Retailio.

The number of active pharmacies using Retailio has grown from 47,527 in the month of March 2020 to 80,449 in the month of March 2021, and to 87,194 pharmacies in the month of June 2021. We refer to a pharmacy that has transacted at least once using technology from Retailio during the relevant period as an active pharmacy for such period.

The number of active pharmacies on Retailio has grown in Fiscal 2021 over Fiscal 2020 primarily due to the following factors: (i) increased geographical coverage of our platform, (ii) increased coverage of products available on our platform which has helped us drive higher line item fill rates for pharmacies, (iii) increased network of wholesalers using our platform and (iv) inorganic growth via our acquisitions of other wholesalers. As we grow our business from distribution to hospitals as a result of our recent acquisition of Aknamed, the growth in our active hospital relationships will also be a key driver for the future growth of the business.

Gross Merchandise Value (GMV)

Growth in GMV is a key driver of our revenue. Our Pro Forma GMV was ₹78,654.84 million in Fiscal 2021 and ₹30,262.62 million in the three-month period ended June 30, 2021. Our Pro Forma GMV includes the GMV contribution from our acquisitions of Ascent, Medlife, Aknamed and Thyrocare as if these were acquired on April 1, 2020. We define GMV as follows: (i) for our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio 1P GMV).

Below table provides a breakdown of our GMV across products and services:

₹ In million

	Fiscal 2020	**Fiscal 2021**	**Three Months ended June 30, 2021**
Distribution to Retailers (A + B)	15,541.34	16,724.88	5,251.73
(A) Distribution to Retailers on PharmEasy marketplace (1)	7,140.20	10,660.55	5,185.20
(B) Medlife digital pharmacy Distribution + Medlife digital pharmacy marketplace (2)	8,401.14	6,064.33	66.53
Distribution to Chemists / Institutions (Retailio 1P)	19,933.71	23,417.76	7,821.09
Distribution to Hospitals - Aknamed (3)	264.67	6,060.60	2,375.40
Retailio 3P (4)	10,329.01	27,139.27	13,013.37
Thyrocare diagnostics (5)	4,342.60	4,946.20	1,646.40
Medlife diagnostics (2)	357.39	366.14	154.63
Total	**50,768.61**	**78,654.84**	**30,262.62**

Notes:

(1) These retailers are typically registered sellers on PharmEasy.
(2) We acquired Medlife in January 2021. Medlife's pharmacy operations have since been integrated with PharmEasy marketplace.
(3) We acquired Aknamed in September 2021.
(4) Retailio 3P GMV is the GMV of products transacted using Retailio (excluding Retailio 1P GMV).
(5) We acquired Thyrocare in September 2021.

GMV from Distribution to Chemists and Institutions

Our GMV from distribution to chemists and institutions has increased due to the rising number of pharmacies transacting using Retailio, as well as an increase in our wallet share with existing pharmacies on Retailio. Our business was impacted by the government-imposed country-wide lockdowns due to the COVID-19 outbreak. We experienced lower GMV in the last three month-period of Fiscal 2020 and the first three month-period of the Fiscal 2021. Following the first three month-period of Fiscal 2021, as lockdown restrictions were gradually relaxed, our business, and hence our GMV, witnessed a strong recovery.

The GMV from third-party distribution of pharma and OTC products to chemists and institutions on Retailio, which we refer to as third party or 3P GMV, has increased over the past two years. We currently do not charge any take-rate on the third-party GMV generated using technology from Retailio and only derive revenues through advertisements and lead generation on Retailio.

GMV from Distribution to Retailers

Our GMV from distribution to retailers has grown due to the rising number of orders fulfilled on the PharmEasy marketplace, which has resulted in increased procurement of pharma and OTC products by retailers selling on the PharmEasy marketplace.

There were in total 7.3 million and 8.8 million orders fulfilled in Fiscal 2020 and Fiscal 2021 respectively by the PharmEasy marketplace. Due to the impact of the country-wide lockdowns due to the COVID-19 pandemic, the number of orders fulfilled on PharmEasy marketplace fell from 2.1 million orders in the last three-month period of Fiscal 2020 to 1.8 million in the first three-month period of Fiscal 2021. However, PharmEasy witnessed a strong recovery thereafter to grow to 2.1 million orders in the second three-month period of Fiscal 2021, and orders have continued growing, to 4.4 million in the in the first three-month period of Fiscal 2022.

In Fiscal 2021 and the three months ended June 30, 2021, 5.7 million and 0.9 million orders were fulfilled on Medlife, respectively.

Our line item fill-rate for orders delivered to pharmacies selling on PharmEasy marketplace was 96.8% in Fiscal 2021. This fill-rate was 96.3% in the three months ended June 30, 2021.

Cross-selling and up-selling of our products and services

We continue to build an integrated platform with a full suite of product and service offerings to cater to multiple healthcare-related needs of different stakeholders in the healthcare ecosystem. While new stakeholders are attracted to our platform through a particular product or service, our integrated platform enables us to cross-sell more products and services to stakeholders. As an example, for the month of June, 2021, more than 1300 pharmacies who transacted using Retailio also used our CRM and ERP systems, from which we derived revenue.

Furthermore, we have also been able to increase the revenue from existing stakeholders by up-selling our products and services. For example, the percentage of fulfilled orders on PharmEasy marketplace which included our private label and OTC products, increased from 22.8% in Fiscal 2021 to 28.1% in the three months ended June 30, 2021.

Operating Leverage and Profitability of our Platform

Our growth in scale, coupled with the rising level of integration across our businesses, has provided us with (i) improvement in costs of sales, driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors, (ii) higher utilization of our manpower, supply-chain infrastructure and other assets, (iii) rationalizing of sales promotion and marketing costs, and (iv) rationalization in our other costs such as our technology, administrative and other support costs. This operating leverage with growing scale is a key driver of improvement in profitability.

Pro Forma Contribution Margin before sales promotion and marketing expense

Pro Forma Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the "Direct Operating Costs") as a Percentage of Pro Forma Revenue from Operations. Please see "- *Non-GAAP Financial Measures*" on page 701 for more information.

Warehousing and Lab Cost represents the sum of the expenses incurred at warehouses and diagnostics labs, including a portion of employee benefits expense (relating to warehouse employee salaries) and a portion of other expenses, such as manpower charges, contractual payment for delivery associates, water, electricity and fuel expenses and repairs and maintenance.

Other Direct Cost is the sum of other direct operating expenses, and includes a portion of employee benefits expenses (relating to customer support employee salaries) and a portion of other expenses, including the consumption of packing materials and consumables, service charges (relating to phlebotomist costs, lab technician cost), and legal and professional fees (relating to doctor consultation charges and diagnostics) but does not include technology related costs, both direct and indirect costs including employee benefit expenses.

The Pro Forma Contribution Margin before sales promotion and marketing expense was 5.0% and 5.0% for Fiscal 2021 and the three-month period ended June 30, 2021 respectively.

The following table presents the Pro Forma Contribution Margin before sales promotion and marketing expense and each of the costs that form part of Direct Operating Costs as a Percentage of Pro Forma Revenue from Operations for Fiscal 2021 and the three-month period ended June 30, 2021:

	Fiscal 2021	Three months ended June 30, 2021
	% of Pro Forma Revenue from Operations	
Pro Forma Revenue from Operations (A)	100.0%	100.0%
Cost of Material Consumed (B)	(3.8%)	(3.3%)
Purchases of Stock-in-Trade (C)	(84.8%)	(90.7%)
Changes in Inventories of Stock-in-Trade (D)	3.5%	7.6%
Warehousing and Lab Cost (E)	(8.1%)	(6.9%)
Other Direct Cost (F)	(1.8%)	(1.8%)
Direct Operating Costs (G=B+C+D+E+F)	(95.0%)	(95.0%)
Pro Forma Contribution Margin before sales promotion and marketing expense(H=A+G)	5.0%	5.0%

Critical accounting policies and estimates

Use of estimates and judgements

The preparation of the restated consolidated financial information in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the restated consolidated financial information and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the restated consolidated financial information in the period in which changes are made and, if material, their effects are disclosed in the notes to the restated consolidated financial information.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. The term "Group" as used in this section refers to the Company together with its subsidiaries.

Significant judgements:

a) *Recognition of deferred tax assets*

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized. Estimation of the level of future taxable profits is therefore required to determine the appropriate carrying value of the deferred tax assets. Considering past losses, uncertainty of its ability to generate future taxable profit in the parent and certain subsidiaries, the Group has recognised deferred tax assets in the parent entity and certain subsidiaries only to the extent of deferred tax liabilities. For details, see note 10 of "*Restated Consolidated Financial Information*" on page 250.

b) *Business combination*

In accounting for business combinations, judgment is required in identifying the acquirer and acquiree for the purpose of business combination and whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations. For details, see note 51 of "*Restated Consolidated Financial Information*" beginning on page 250.

Critical estimates:

a) Fair value of employee share options

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions include expected volatility, share price, expected dividends, term and discount rate, under this pricing model. For details, see note 52 of "*Restated Consolidated Financial Information*" beginning on page 250.

b) Impairment of goodwill

The Group tests whether goodwill has suffered any impairment loss on an annual basis. The recoverable amount of the cash generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the initial period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. For details, see note 5 of "*Restated Consolidated Financial Information*" beginning on page 250.

Revenue recognition

(i) *Sale of goods*

The Group sells a range of pharmaceutical and cosmetic goods. Sales are recognised when control of the products is transferred which occurs when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and goods and service tax. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level.

A receivable is recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) *Sale of services*

The Group provides services of delivery person, software, and technology platform services. Revenue is recognised in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Some contracts include multiple performance obligations, such as the sale of hardware and sale of software. The hardware can be procured from any other party and does not include an integration service. It is therefore accounted for as a separate performance obligation. If contracts include the sale of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods, and service tax.

Customers are invoiced on a periodic basis and consideration is payable when invoiced in accordance with the credit period.

(iii) *Customer loyalty programme*

The Group operates a loyalty programme where customers accumulate points for purchases made. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire. A contract liability is recognised until the points are redeemed or expire.

(iv) *Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. No significant element of financing is deemed present as the sales are made with a credit term consistent with market practice.

Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred on operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the restated consolidated statement of assets and liabilities based on their nature.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity,
- amount of pre-existing relationships with the acquiree, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of purchase comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Employee benefits

(V) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the restated consolidated statement of assets and liabilities.

(ii) Other long-term employee benefit obligations

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the restated consolidated statement of assets and liabilities if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

<u>Defined benefit plans</u>

The liability or asset recognised in the restated consolidated statement of assets and liabilities in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the restated consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the restated consolidated statement of changes in equity and in the restated consolidated statement of assets and liabilities.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred.

(iv) *Share-based payments*

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

Employee options

The fair value of options granted under the Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The equity instruments generally vest in a graded manner over the vesting period. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Cancellation or settlements are accounted as an acceleration of vesting, and therefore recognised immediately at the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

If new equity instruments are granted to the employee and, on the date when those new equity instruments are granted, the Group identifies the new equity instruments granted as replacement equity instruments for the cancelled equity instruments, the Group accounts for the granting of replacement equity instruments in the same way as a modification of the original grant of equity instruments. When the terms of an equity-settled award are modified, the Group recognises as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Payments made to the employee on the settlement of the options is accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense and presented as cash flow from operating activities in the restated statement of cash flows. Any excess or shortfall between the repurchase date fair value and grant date fair value and excess in repurchase date fair value over the payments made is transferred to retained earnings. Amounts paid to the extent of the repurchase date fair value are presented as cash flow from financing activities in the restated statement of cash flows.

Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for Fiscal 2020 and 2021, and in the three months ended June 30, 2021, the components of which are also expressed as a percentage of revenue from operations for such years.

	Fiscal				***Three Months Ended June 30, 2021***	
	2020		***2021***			
	₹ In million	***% of revenue from operations***	***₹ In million***	***% of revenue from operations***	***₹ In million***	***% of revenue from operations***
Income						
Revenue from operations						

	Fiscal				Three Months Ended June 30, 2021	
	2020		2021			
	₹ In million	% of revenue from operations	₹ In million	% of revenue from operations	₹ In million	% of revenue from operations
Revenue from sale of goods	6,332.85	94.9%	22,816.32	97.7%	11,578.86	96.7%
Revenue from sale of services	56.83	0.8%	259.43	1.1%	239.71	2.0%
Other operating revenue	285.74	4.3%	276.94	1.2%	149.51	1.3%
Revenue from operations	**6,675.42**	**100.0%**	**23,352.69**	**100.0%**	**11,968.08**	**100.0%**
Other income	699.06	10.5%	253.93	1.1%	104.52	0.9%
Total income	**7,374.48**	**110.5%**	**23,606.62**	**101.1%**	**12,072.60**	**100.9%**
Expenses						
Purchase of stock in trade	6,991.24	104.7%	22,668.17	97.1%	12,346.05	103.2%
Changes in inventories of stock in trade	(582.38)	(8.7%)	(1,143.95)	(4.9%)	(1,266.49)	(10.6%)
Employee benefits expense	1,371.90	20.6%	2,702.94	11.6%	1,658.39	13.9%
Finance costs	118.86	1.8%	434.31	1.9%	205.80	1.7%
Depreciation and amortisation expenses	187.71	2.8%	329.01	1.4%	170.43	1.4%
Other expenses	2,756.71	41.3%	4,818.80	20.6%	2,155.99	18.0%
Total expenses	**10,844.04**	**162.5%**	**29,809.28**	**127.7%**	**15,270.17**	**127.6%**
Restated loss before tax	**(3,469.56)**	**(52.0%)**	**(6,202.66)**	**(26.6%)**	**(3,197.57)**	**(26.7%)**
Tax expense						
Current tax	(0.10)	0.0%	46.68	0.2%	35.77	0.3%
Deferred tax/ (credit)	(116.67)	(1.8%)	164.02	0.7%	(94.43)	(0.8%)
Total tax expense/ (credit)	**(116.77)**	**(1.8%)**	**210.70**	**0.9%**	**(58.66)**	**(0.5%)**
Restated loss for the year/ period	**(3,352.79)**	**(50.2%)**	**(6,413.36)**	**(27.5%)**	**(3,138.91)**	**(26.2%)**

Three months ended June 30, 2021

We acquired Ascent and Medlife during Fiscal 2021. Our results of operations for the three months ended June 30, 2021 includes the impact of these acquisitions for the entire three months ended June 30, 2021.

Income

Our revenue from operations were ₹11,968.08 million in the three months ended June 30, 2021, comprising revenue from sale of goods of ₹11,578.86 million, revenue from sale of services of ₹239.71 million and other operating revenue of ₹149.51 million.

As a percentage of revenue from operations, our revenue from sale of goods was 96.7% in the three months ended June 30, 2021. Our revenue from sale of goods included the full quarter results of Ascent and Medlife that we acquired in Fiscal 2021. Our revenue from distribution to chemists and institutions was 57.5% of our revenue from operations, and our revenue from distribution to retailers was 39.3% of our revenue from operations for the three months ended June 30, 2021. There were 87,194 active pharmacies who placed at least one order in the month of June 2021 using technology from Retailio. Our revenue from distribution to retailers has benefitted as PharmEasy marketplace witnessed a strong recovery after government-imposed country-wide lockdown restrictions were gradually relaxed after the first three month-period of Fiscal 2021. For the three-month period ended June 30, 2021, there were 2.1 million transacting users with fulfilled orders on the PharmEasy marketplace. This included 1.3 million repeat transacting users on PharmEasy marketplace during the three-month period ended June 30, 2021.

As a percentage of revenue from operations, our revenue from sale of services was 2.0% in the three months ended June 30, 2021. Our revenue from sale of services benefitted from revenue from our diagnostics services from the Medlife acquisition undertaken in Fiscal 2021.

Our other operating revenue was ₹149.51 million in the three months ended June 30, 2021. This revenue primarily relates to rendering services of delivery persons. These delivery persons primarily fulfil the orders placed on the PharmEasy marketplace.

Our other income was ₹104.52 million in the three months ended June 30, 2021 and primarily includes interest income from fixed deposits.

Expenses

Our total expenses were ₹15,270.17 million for the three months ended June 30, 2021. As a percentage of revenue from operations, our total expenses were 127.6% in the three months ended June 30, 2021.

Purchase of Stock-in-trade and Changes in Inventories of Stock-in-trade

Our purchase of stock-in-trade was ₹12,346.05 million and changes in inventories of stock-in-trade was ₹ (1,266.49) million for the three months ended June 30, 2021 As a percentage of revenue from operations, our purchase of stock-in-trade together with changes in inventories of stock in trade was 92.6% in the three months ended June 30, 2021, which is marginally higher than 92.2% in Fiscal 2021.

Employee benefit expense

Our employee benefit expenses were ₹1,658.39 million in the three months ended June 30, 2021. Our employee headcount was 5,713 full-time employees as of June 30, 2021. As a percentage of revenue from operations, our employee benefits expense was 13.9% in the three months ended June 30, 2021. In Fiscal 2021, our employee benefits expense as a percentage of revenue from operations was 11.6%. As we acquired Ascent and Medlife in Fiscal 2021, our employee benefit expenses for the three months ended June 30, 2021 includes the full impact of such acquisitions and the resulting increased headcount and share based payment expenses.

Finance costs

Our finance costs were ₹205.80 million in the three months ended June 30, 2021.

Depreciation and amortization expense

Our depreciation and amortization expense was ₹170.43 million in the three months ended June 30, 2021.

Other expenses

Our other expenses were ₹2,155.99 million in the three months ended June 30, 2021, including our sales promotion and marketing expense of ₹948.27 million. As a percentage of revenue from operations, our sales promotion and marketing expenses were 7.9% in the three months ended June 30, 2021.

Restated loss after tax for the period

As a result of the foregoing factors, our restated loss after tax for the three months ended June 30, 2021 was ₹(3,138.91) million.

Fiscal 2021 compared to Fiscal 2020

We acquired Ascent in August 2020 and Medlife in January 2021. Our results of operations for Fiscal 2021 includes the impact of these acquisitions from the effective dates of their acquisition.

Income

Our revenue from operations increased by 249.8% to ₹23,352.69 million in Fiscal 2021 from ₹6,675.42 million in Fiscal 2020 primarily driven by an increase in revenue from sale of goods.

Our revenue from sale of goods increased by 260.3% to ₹22,816.32 million in Fiscal 2021 from ₹6,332.85 million in Fiscal 2020, primarily due to the acquisition of Ascent and Medlife in Fiscal 2021, and organic growth of our existing business by 54.8% in Fiscal 2021 compared to Fiscal 2020. As a percentage of revenue from operations, our revenue from sale of goods increased to 97.7% in Fiscal 2021 from 94.9% in Fiscal 2020. Our revenue from distribution to chemists and institutions as a percentage of our revenue from operations was 56.3% in Fiscal 2021 compared to nil in Fiscal 2020. Our revenue from distribution to retailers as a percentage of our revenue from operations was 41.4% in Fiscal 2021 compared to 94.9% in Fiscal 2020.

There was an increase in number of active pharmacy relationships on Retailio from 47,527 in the month of March 2020 to 80,449 in the month of March 2021, as well as an increase in wallet share with existing pharmacies transacting using technology from Retailio. There was also an increase in the number of orders fulfilled on the PharmEasy marketplace from 7.3 million orders in Fiscal 2020 to 8.8 million orders in Fiscal 2021, which resulted in increased procurement of pharma and OTC products from us by retailers selling on the PharmEasy marketplace. We experienced lower GMV in the last three month-period of Fiscal 2020 and the first three month-period of the Fiscal 2021 as a result of government-imposed country-wide lockdowns due to the COVID-19 pandemic. Following the first three month-period of Fiscal 2021, as lockdown restrictions were gradually relaxed, our business witnessed a strong recovery.

Our revenue from sale of services increased by 356.5% to ₹259.43 million in Fiscal 2021 from ₹56.83 million in Fiscal 2020, primarily due to an increase in revenue from our diagnostics services as a result of the Medlife acquisition in Fiscal 2021, increase in software revenues from doctors and an increase in brand licensing fees from PharmEasy marketplace which is based on a percentage of the GMV transacted on the PharmEasy marketplace.

Our other operating revenue decreased marginally to ₹276.94 million in Fiscal 2021 from ₹285.74 million in Fiscal 2020. This revenue primarily relates to rendering services of delivery persons.

Our other income decreased by 63.7% to ₹253.93 million in Fiscal 2021 from ₹699.06 million in Fiscal 2020, primarily due to a gain on fair valuation of financial instruments in Fiscal 2020.

Expenses

Our total expenses increased by 174.9% to ₹29,809.28 million for Fiscal 2021 from ₹10,844.04 million for Fiscal 2020. As a percentage of revenue from operations, our total expenses decreased to 127.7% in Fiscal 2021 from 162.5% in Fiscal 2020.

Purchase of Stock-in-trade and Changes in Inventories of Stock-in-trade

Our purchase of stock-in-trade and changes in inventories of stock-in-trade were ₹22,668.17 million and ₹(1,143.95) million respectively for Fiscal 2021, and ₹6,991.24 million and ₹(582.38) million respectively for Fiscal 2020, in line with the increase in our revenue from operations and GMV in Fiscal 2021 compared to Fiscal 2020 and as a result of our acquisitions of Ascent and Medlife. However, as a percentage of our revenue from operations, our purchase of stock-in-trade together with changes in inventories of stock-in-trade decreased to 92.2% in Fiscal 2021 from 96.0% in Fiscal 2020 driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors due to our growth in scale coupled with the rising level of integration across our businesses.

Employee benefits expense

Our employee benefits expenses increased by 97.0% to ₹2,702.94 million in Fiscal 2021 from ₹1,371.90 million in Fiscal 2020 primarily due to increase in our headcount from the acquisitions of Ascent and Medlife in Fiscal 2021. We also incurred higher employee share-based payment expenses in Fiscal 2021 due to ESOPs granted to new employees. As a percentage of our revenue from operations, our employee benefits decreased to 11.6% in Fiscal 2021 from 20.6% in Fiscal 2020, driven by higher utilization of our manpower, supply-chain infrastructure and other assets due to our growth in scale coupled with the rising level of integration across our businesses.

Finance costs

Our finance costs increased by 265.4% to ₹434.31 million in Fiscal 2021 from ₹118.86 million in Fiscal 2020, primarily on account of borrowings acquired as part of our acquisitions of Ascent and Medlife in Fiscal 2021. These borrowings include term loans, working capital loans and lease liabilities.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 75.3% to ₹329.01 million in Fiscal 2021 from ₹187.71 million in Fiscal 2020, primarily due to an increase in depreciation of property, plant and equipment, and depreciation of right of use assets in Fiscal 2021, driven by an increase in leased assets as part of our acquisitions of Ascent and Medlife in Fiscal 2021, and an increase in amortization of intangible assets in Fiscal 2021.

Other expenses

Our other expenses increased by 74.8% to ₹4,818.80 million in Fiscal 2021 from ₹2,756.71 million in Fiscal 2020, primarily as a result of our acquisitions of Ascent and Medlife in Fiscal 2021. In Fiscal 2021, we were able to reduce our sales promotion and marketing expenses as a percentage of our revenue from operations which comprise cost incurred to attract new healthcare ecosystem stakeholders to our platform as a result of our growth in scale coupled with the rising level of integration across our businesses and as we reduced marketing as a result of COVID-19. As a percentage of our revenue from operations, our sales promotion and marketing expenses decreased to 5.8% in Fiscal 2021 from 20.7% in Fiscal 2020. Certain other expenses increased in Fiscal 2021 from Fiscal 2020, including (i) manpower charges increased to ₹360.03 million in Fiscal 2021 from ₹203.40 million in Fiscal 2020, (ii) loss on fair value changes to financial instruments increased to ₹660.94 million in Fiscal 2021 from ₹25.78 million in Fiscal 2020 (iii) legal and professional fees increased to ₹865.94 million in Fiscal 2021 from ₹294.39 million in Fiscal 2020 (iv) information technology expenses increased to ₹265.90 million in Fiscal 2021 from ₹164.02 million in Fiscal 2020 and (v) contractual payment for delivery associates increased to ₹342.14 million in Fiscal 2021 from ₹284.86 million in Fiscal 2020.

Restated loss after tax for the year

As a result of the foregoing factors, our restated loss after tax for Fiscal 2021 increased by 91.3% to ₹(6,413.36) million from a restated loss after tax of ₹(3,352.79) million for Fiscal 2020. However, as a percentage of our revenue from operations, our restated loss after tax decreased to (27.5)% in Fiscal 2021 from (50.2)% in Fiscal 2020.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is a Non-GAAP financial measure that represents our restated loss for the year, before depreciation and amortisation expense, Tax expense/ (credit), finance cost and other income.

Adjusted EBITDA is a Non-GAAP financial measure that represents our restated loss for the year, before depreciation and amortisation expense, Tax expense/ (credit), finance cost, other income and Employee share based payment expense.

Adjusted EBITDA Margin is the percentage margin derived by dividing Adjusted EBITDA by revenue from operations.

Our Adjusted EBITDA Margin improved in Fiscal 2021 to (21.9)% from (54.3)% in Fiscal 2020. Our growth in Fiscal 2021 in our revenue from operations from our existing businesses and as a result of acquisitions of Ascent and Medlife, coupled with (i) improvement in purchase of stock-in-trade driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors, (ii) higher utilization of our manpower, supply-chain infrastructure and other assets which helped lowered our employee benefits expenses as a percentage of revenue from operations, (iii) rationalization of sales promotion and marketing costs, and (iv) rationalization in our other costs such as our technology, administrative and other support costs helped improve our Adjusted EBITDA Margin in Fiscal 2021 from Fiscal 2020.

The following table reconciles Adjusted EBITDA to our restated loss of the year.

	Fiscal		**Three months ended June 30,**
	2020	**2021**	**2021**
	₹ In millions except percentages		
Adjusted EBITDA			
Restated Loss for the year (A)	(3,352.79)	(6,413.36)	(3,138.91)
Tax expense/ credit (B)	(116.77)	210.70	(58.66)
Finance costs (C)	118.86	434.31	205.80
Depreciation and amortization expense (D)	187.71	329.01	170.43
Other income (E)	(699.06)	(253.93)	(104.52)
EBITDA (F=A+B+C+D+E)	(3,862.05)	(5,693.27)	(2,925.86)
Share based payment expense (G)	239.20	568.08	97.73
Adjusted EBITDA (H=F+G)	(3,622.85)	(5,125.19)	(2,828.13)
Revenue from operations (I)	6,675.42	23,352.69	11,968.08

	Fiscal		Three months ended June 30,
	2020	**2021**	**2021**
Adjusted EBITDA Margin (J=H/I)	(54.3%)	(21.9%)	(23.6%)

Pro Forma Contribution Margin before sales promotion and marketing expense

Pro Forma Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the "Direct Operating Costs") as a Percentage of Pro Forma Revenue from Operations from 100%. Please see "Non-GAAP Financial Measures" for more information. Please see "- *Principal Factors Affecting our Financial Condition and Results of Operations*" on page 689.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations as well as our organic and inorganic growth. We have met these requirements primarily through equity infusions from shareholders and borrowings. As of June 30, 2021, we had ₹3,157.19 million in cash and cash equivalents, ₹6,475.32 million in other bank balances, ₹2,321.41 million in current borrowings and ₹2,230.35 million in non- current borrowings. Our cash and cash equivalents increased from March 31, 2020 as we raised external equity financing as part of Series E and F fund raising during the three months ended June 30, 2021. We have put liability due to obligations to purchase shares in certain subsidiaries of our Company. Please see "- Contractual Obligations" below on page 703.

We believe that, after taking into account the proceeds from the Offer and borrowings, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for at least the next 12 months.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated consolidated cash flow statements, for the periods indicated:

	Fiscal		Three months ended June 30,
	2020	**2021**	**2021**
			(₹ In millions)
Net cash flow used in operating activities	(4,520.17)	(8,136.82)	(5,523.26)
Net cash flow generated from/(used in) investing activities	(1,895.40)	44.94	(3,143.87)
Net cash flow from financing activities	6,316.26	10,190.24	12,045.86
Cash and cash equivalents (closing balance)	202.47	2,300.83	5,679.56

Operating Activities

Net cash flow used in operating activities for the three months ended June 30, 2021 was ₹(5,523.26) million, while our operating loss before working capital changes was ₹(2,755.08) million. We had cash outflows in June 30, 2021, primarily due to operating losses, an increase in trade receivables and inventory due to business expansion, increase in current and non-current assets and decrease in trade payables.

Net cash flow used in operating activities for Fiscal 2021 was ₹(8,136.82) million, while our operating loss before working capital changes was ₹(4,268.49) million. We had cash outflows in Fiscal 2021, primarily due to operating losses, an increase in trade receivables, inventories, current and non-current assets and decrease in current and non-current liabilities.

Net cash flow used in operating activities for Fiscal 2020 was ₹(4,520.17) million, while our operating loss before working capital changes was ₹(3,538.95) million. We had cash outflows in Fiscal 2020, primarily due to operating losses, trade receivables, inventory, current and non-current assets.

Investing Activities

Net cash flow used in investing activities in the three months ended June 30, 2021 was ₹(3,143.87) million, which primarily consisted of amounts invested in fixed deposits.

Net cash flow generated from investing activities in Fiscal 2021 was ₹44.94 million, which primarily consisted of interest received and cash acquired on business acquisitions partially offset by amounts invested in fixed deposits and Purchase of property, plant and equipment and intangible assets

Net cash flow used in investing activities in Fiscal 2020 was ₹(1,895.40) million, which primarily consisted of Loans and advances given to related parties and amounts invested in fixed deposits.

Financing Activities

Net cash flow from financing activities in the three months ended June 30, 2021 was ₹12,045.86 million, which primarily consisted of proceeds from issue of equity instruments partially offset by repayment of borrowings.

Net cash flow from financing activities in Fiscal 2021 was ₹10,190.24 million, which primarily consisted of proceeds from issue of equity instruments and compulsorily convertible debentures.

Net cash flow from financing activities in Fiscal 2020 was ₹6,316.26 million, which primarily consisted of proceeds from issue of equity instruments and long term borrowings.

Indebtedness

As of June 30, 2021, we had total current borrowings of ₹2,321.41 million primarily for working capital from banks and other short term loans. We also had non-current borrowings of ₹2,230.35 million as of June 30, 2021 comprising of term loans, non-convertible debentures, compulsorily convertible debentures and optionally convertible debentures. For further information on our agreements governing our outstanding indebtedness, see "***Financial Indebtedness***" beginning on page 684.

Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as of June 30, 2021. These obligations primarily relate to our borrowings and trade payables.

	On demand	**Less than one year**	**1-5 years**	**More than 5 years**	**Total**
					(₹ in millions)
Borrowings	783.49	1,659.59	2,210.17	-	4,653.25
Lease liabilities	-	308.78	930.08	149.07	1,387.93
Trade payables	-	3,116.15	-	-	3,116.15
Other financial liabilities		1,760.77	-	-	1,760.77
Total	**783.49**	**6,845.29**	**3,140.25**	**149.07**	**10,918.10**

The other financial liabilities primarily include put liability of ₹1,149.89 million and ₹1,112.93 million as of June 30, 2021 and March 31, 2021, respectively. We have an obligation to purchase shares in certain subsidiaries of our Company as per the respective shareholder agreements, at a price based on future earnings multiples. Accordingly, we have recognised put liability and subsequent changes on re-measurement of such liability within equity.

Contingent Liabilities

The following table and notes below sets forth the principal components of our contingent liabilities as of March 31, 2020, March 31, 2021, and June 30, 2021 as per the Restated Consolidated Financial Information. For more details on contingent liabilities, see Note 54 of the Restated Consolidated Financial Information and "***Outstanding Litigation and Material Developments***" beginning on page 708.

(i) The Group has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II)West Bengal" and the related circular (Circular No C-I/1(33)2019/Vivekananda VidyaMandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on the assessment made by the management, the said judgment does not have any significant impact on these financial statements. The Group will continue to monitor and evaluate its position based on future events and developments.

(ii) Claims not acknowledged as debts:

	As of March 31,		As of June 30, 2021
	2020	2021	
	(₹ in millions)		
Income tax(1)	-	0.24	0.24
Indirect tax	-	-	8.26

Note: The Group has reviewed all its pending litigations and proceedings and has disclosed the above contingent liability. The Group does not expect the outcome of these proceedings to have an adverse effect on its financial statements.

(iii) Commitments:

	As of March 31,		As of June 30, 2021
	2020	2021	
	(₹ in millions)		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	6.87

Cash Outflow for Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of office equipment, computer and hardware, furniture and fixtures and leasehold improvements for warehouse expansion and at our corporate headquarters during Fiscal 2021 and three months ended June 30, 2021. In Fiscals 2020 and 2021 and three months ended June 30, 2021, our purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances) were ₹137.25 million, ₹308.83 million and ₹173.02 million, respectively.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see ***"Financial Statements – Restated Consolidated Financial Information - Related parties transactions – Note 49"*** on page 322.

Qualitative and Quantitative Disclosures about Financial Risk

Our activities expose us to credit risk, liquidity risk and market risk. Our overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on our financial performance.

Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to us. The maximum credit risk comprises the carrying amounts of the financial assets. The Company's exposure to credit risk arises mainly from cash and cash equivalents, trade receivables, security deposits, investments, loans and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the group operates. Further, the Company manages its liquidity risk by ensuring that sufficient funds are available through a combination of equity and debt financing.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks – foreign currency risk, interest risk and price risk. The transactions of the Company are denominated in Indian Rupees, and accordingly, the Company is not exposed to foreign currency risk. The Company's investment in certain equity shares is exposed to price risk. For details, please see Note 46(a) of the Restated Consolidated Financial Information beginning on page 250.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our borrowings with floating interest rates. The following table shows the sensitivity analysis of a 1.0% change in interest rates for the periods indicated:

	March 31,		**June 30,**
	2020	**2021**	**2021**
Effect on loss:			*(₹ in millions)*
Increase by 100 basis points	1.69	38.40	6.24
Decrease by 100 basis points	(1.69)	(38.40)	(6.24)

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect losses.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on page 43. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

See "*Risk Factor – The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition, and results of operations"* for risks of the COVID-19 outbreak on our operations and financial condition on page 53.

Seasonality

We experience seasonality in our business, reflecting a combination of online retail seasonality patterns and new patterns associated with healthcare products in particular. For example, we generally experience lulls in quarterly growth in the third Fiscal quarter during the holidays associated with the festival season in India, which have significant impact on our results for those quarters. Furthermore, we may experience seasonal fluctuations with different types of products, depending on their respective efficacy. For example, we observe increase in demands for respiratory drugs during flu seasons.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled " ***– Principal Factors Affecting Our Financial Condition and Results of Operations***" and the uncertainties described in the section titled "***Risk Factors***" beginning on pages 689 and 43, respectively. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Significant Economic Changes that Materially Affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in the heading titled " ***– Principal Factors***

Affecting Our Financial Condition and Results of Operations" and the uncertainties described in the section titled "***Risk Factors***" beginning on pages 689 and 43, respectively.

Competitive Conditions

We operate in a competitive environment. See "***Risk Factors***", "***Industry Overview***", and "***Our Business***" and on pages 43, 146 and 162, respectively, for further details on competitive conditions that we face across our various business segments.

Future Relationship Between Cost and Income

Other than as described in this section, and in "***Risk Factors***" and "***Our Business***" beginning on pages 43 and 162, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Total Turnover of Each Major Industry Segment in which our Company Operated

We are primarily engaged in the digital healthcare business. For further information, see "***Industry Overview***" on page 146, and for information on segment reporting for the three months ended June 30, 2021, Financial Year 2021 and the period ended March 31, 2020, see "*Financial Statements – Notes to the Restated Consolidated Financial Information – Note 50 - Segment Reporting*" on page 339.

New Products or Business Segments

Except as disclosed in this Draft Red herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant Developments after June 30, 2021 that may affect our future results of operations

Except as stated below and elsewhere in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the Financial Statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Key business acquisition made for the period July 1, 2021 to November 2, 2021:

Acquisition of subsidiaries:

1) **Acquisition of Thyrocare Technologies Limited ("Thyrocare"):**

   Docon Technologies Private Limited (the "**Acquirer**"), a wholly owned subsidiary of our Company entered into a share purchase agreement dated June 25, 2021 for the purchase of 34,972,999 equity shares of Thyrocare. Further, the Acquirer made an open offer to the shareholders of Thyrocare for acquisition of 13,755,077 equity shares of Thyrocare. The transaction was consummated on September 2, 2021, being the date when our Company acquired the control of Thyrocare. For details, see "*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years – Thyrocare Acquisition*" on page 220.

2) **Acquisition of Akna Medical Private Limited ("Aknamed")**

   Pursuant to the shareholders' agreement read with the share subscription and share purchase agreement, each dated August 19, 2021, our Company acquired 1,204,133 equity shares and 975,925 equity shares of Aknamed for a consideration of ₹ 3,687.00 million and ₹ 3,080.00 million respectively. Further, our Company purchased 76,075 equity shares of Aknamed through a share purchase agreement dated August 19, 2021 from certain angel investors.

   Our Company has also entered into two Agreements to Sell dated September 16, 2021 and October 7, 2021 respectively for purchase of 45,886 equity shares and 1,050,376 equity shares of Aknamed for a consideration of ₹ 144.81 million and ₹ 4,972.38 million respectively. For details, see "*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years – Aknamed Acquisition*" on page 221.

Other investments:

1) **Acquisition of 19.99% paid-up equity share capital of Aarman Solutions Private Limited ("Aarman"):**

On August 10, 2021, our Company acquired 19.99 % of the equity share capital of Aarman Solutions Private Limited for a consideration of ₹ 99.95 million. Aarman is the 100 % owner of Axelia Solutions Private Limited, the entity which operates the PharmEasy marketplace.

2) **<u>Acquisition of 49.17% paid-up equity share capital of Marg ERP Limited ("Marg"):</u>**

On October 14, 2021, our Company acquired 49.17% of the equity share capital of Marg ERP Limited for a consideration of ₹ 2,548.00 million. Marg is into the business of B2B Pharma, software and solutions.

<u>Other material developments:</u>

- During the three months period July 1, 2021 to September 30, 2021, our Company has raised equity funding of ₹ 34,780.24 million and other financing from certain investors while in August 2021, our Company and few of our Subsidiaries raised debt funding of ₹ 19,290.00 million. Further, during October 2021, our Company has raised additional equity funding from certain investors of ₹ 17,010.98 million.

- The Board during their meeting held on September 9, 2021, have approved a onetime performance bonus aggregating up to ₹ 3,330 million to the certain Directors / employees of our Company for their performance until August 2021. The Company did not have an obligation towards this bonus as at June 30, 2021 and accordingly this has been considered as a non-adjusting event.

- Modification to the vesting schedule and exercise price to the ESOP Plan 2020. Following variations were approved at Board meeting held on September 28, 2021:

  a) modification of vesting schedule of granted employee stock options under ESOP Plan 2020 to quarterly vesting post the 1 year cliff period for all ESOPs with effect from October 1, 2021.

  b) modification of exercise price of ESOPs pool 1 to 5, 16 and 17 under the ESOP Plan 2020 to ₹ 1 and ESOPs pool 6 to 11 under the ESOP Plan 2020 to ₹ 4.01 with effect from October 1, 2021 post adjustment of bonus issue and share division.

- Our Company has received approval by the Regional Director, Mumbai, vide its order dated September 24, 2021 for the amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company.

- Pursuant to a resolution passed by the Shareholders in the extraordinary general meeting held on October 13, 2021, our Company has sub-divided the face value of its equity shares from ₹10 each to ₹1 each.

- On October 29, 2021, our Company allotted 554,373,630 bonus equity shares in the ratio of 10 equity shares for every 1 equity share held to all the Shareholders whose name appear on the register of member of our Company as on the record date i.e. October 28, 2021.

- One of the Subsidiaries of our Company, Threpsi Solutions Private Limited, filed a scheme of amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, ARZT and Health Private Limited and their respective shareholders. The amalgamation is pending approval by NCLT, Mumbai and is subject to receipt of requisite approvals. For details, see "*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years*" beginning on page 217.

Our Shareholders, pursuant to the special resolution held on October 1, 2021, have approved conversion of our Company from private limited to public limited. Our Company has received the fresh certificate of incorporation dated October 28, 2021 from the Registrar of Companies. The effective date of conversion is October 1, 2021.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) pending material litigation, in each case involving our Company, Directors or Subsidiaries ("Relevant Parties").

Pursuant to SEBI ICDR Regulations and in terms of the Materiality Policy:

(i) any outstanding litigation involving our Company and our Subsidiaries (except Thyrocare and Nueclear) where the claim/dispute amount, to the extent quantifiable, exceeds 1% of the total consolidated revenue of our Company for Fiscal 2021, i.e. ₹ 236.06 million or 1% of the total net worth of our Company as of March 31, 2021, i.e. ₹ 358.12 million, whichever is lower as per the Restated Consolidated Financial Statements would be considered 'material' for disclosure in this Draft Red Herring Prospectus.

(ii) any outstanding litigation involving Thyrocare and Nueclear, where the claim / dispute amount, to the extent quantifiable, exceeds 1% of the revenue from operations of Thyrocare for Fiscal 2021, i.e. ₹ 49.46 million or 1% of the total net worth of Thyrocare as of March 31, 2021, i.e. ₹ 44.54 million, whichever is lower as per the audited consolidated financial statements of Thyrocare for Fiscal 2021, would be considered 'material' for disclosure in this Draft Red Herring Prospectus.

*(iii) outstanding dues to any creditor of our Company having monetary value which exceeds ₹ 155.81 million, which is 5% of the trade payables of our Company as per the Restated Consolidated Financial Statements as at June 30, 2021 shall be considered as 'material'. Accordingly, any outstanding dues exceeding ₹ 155.81 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

For the purposes of this DRHP, the following types of litigation involving the Relevant Parties have been disclosed as pending material litigation:

(a) in relation to the matters involving our Company and our Subsidiaries (excluding Thyrocare and Nueclear), the matters where the claim / dispute amount exceeds ₹ 236.06 million, being 1% of the total consolidated revenue of our Company for Fiscal 2021 and for Thyrocare and Nueclear, such matters where the claim / dispute amount exceeds ₹ 44.54 million, being 1% of the total net worth of Thyrocare;

(b) in relation to the matters involving our Company and our Subsidiaries (excluding Thyrocare and Nueclear) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹ 236.06 million and for Thyrocare and Nueclear, such matters which may not exceed ₹ 44.54 million;

(c) all other outstanding litigation involving our Company and our Subsidiaries which may not meet the specific threshold and parameters as set out in (a) or (b) above, but where an adverse outcome would materially and adversely affect the business, operations, cash flows, financial position or reputation of our Company; and

(d) in relation to the matters involving our Directors, the outcome of any such matter which would materially and adversely affect the business, operations, prospects, cash flows, financial position or reputation of our Company, irrespective of the amount involved.

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that any of the Relevant Parties, as applicable, is impleaded as a defendant or respondent in litigation proceedings before any judicial forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

Litigations involving Medlife International Private Limited are disclosed herein below as litigations involving our Company in accordance with the Scheme of Amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company approved on September 24, 2021. For further details on the Scheme of Amalgamation, see *"History and Certain Corporate Matters- Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Scheme of* *amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company"* beginning on page 217.

A. Criminal proceedings involving our Company

(i) Filed by our Company

1. Medlife has filed a complaint against Suma Shubhankar and Thejas Shubhankar before the Police Station, HSR Layout dated February 8, 2021 for non-refund of the security deposit provided under the lease deed executed between Suma Shubhankar and Medlife and the lease deed executed between Thejas Shubhankar and Medlife for premises situated at Haralukunte village, Begur Hobli, Bangalore South, Bengaluru. ("**Premises**"). While, Medlife vacated the Premises by providing a termination notice for terminating the lease deeds, it has not received the security deposit amounting to ₹ 2.54 million. Medlife has also sent legal notices to Suma Shubhankar and Thejas Shubankar, respectively. The matter is currently pending.

B. Other material outstanding litigation involving our Company:

Filed against our Company

1. The Tamil Nadu Chemists and Druggists Association ("**TNCDA**") has filed a writ petition under Article 226 of the Constitution of India before the High Court of Judicature at Madras ("**Madras High Court**") in October 2018 against, among others, the Union of India, 91Streets, Medlife and other companies with similar business models challenging the online sale of drugs under schedule H, H1 and X and has further alleged violation of the Drugs and Cosmetics Rules, 1945 ("**Drugs Rules**"). TNCDA vide the writ petition has sought relief, *inter alia*, to the extent of blocking website links carrying on online sale of schedule H, H1 and X drugs in alleged violation of the Drugs Rules, interim injunctions on the sale of schedule H, H1 and X drugs till licenses are granted for online sale of medicines. Subsequently, 91Streets impleaded itself as a party to the writ petition vide impleadment petition and Medlife impleaded itself by memorandum of appeal. 91Streets in its counter affidavits has submitted stating that they act as intermediaries connecting customers with registered pharmacies and are not engaged in the sale, distribution, stocking, exhibiting or offering for sale of pharmaceutical drugs. Medlife in its counter affidavit has denied and clarified the allegation made by TNCDA and clarified that its operations were functioning under valid wholesale and retail drug licences granted by the concerned authorities.

   The Madras High Court has granted an interim injunction to TNCDA prohibiting the sale of medicines without license and directed Union of India to stall all such online sales forthwith and directed the Union of India to notify the draft amendment to the Drugs Rules within the stipulated time ("**Impugned Order**") with directions that online traders are bound not to proceed with their online business in drugs and cosmetics. 91Streets and Medlife amongst other companies filed appeals against the Impugned Order pursuant to which an interim stay was granted by a division bench of the Madras High Court, which was further confirmed by way of an ad-interim stay on the specific paragraph in the Impugned Order which previously stayed the online sales of drugs until further orders of the Madras High Court dated January 2, 2019 ("**Madras High Court Order**"). This matter is currently pending.

2. South Chemists and Distributors Association ("**SCDA**") has filed a writ petition under Article 226 of the Constitution of India before the High Court of Delhi in October, 2018 against, among others, the Union of India, Government of Delhi, National Capital Territory through the Secretary of Ministry of Health and Family Welfare Central Drugs Standard Control Organisation, Drugs Controller, Government of Delhi ("**Respondent Authorities**"), 91Streets, Medlife and other companies with similar business models and has sought relief, *inter alia*, to the extent of directions to the Respondent Authorities to close all online pharmacies and to take actions against 91streets and Medlife, among others, for allegedly selling prescription medicines in violation of the Drugs and Cosmetics Act, 1940 ("**Drugs Act**") and Pharmacy Act, 1948, among others. 91Streets has responded to the merits of the allegations in the writ petition and submitted its reply that 91Streets is not an online pharmacy and does not operate the PharmEasy marketplace. By way of an order dated February 25, 2019 of the High Court of Delhi, the matter has been placed for hearing and listing, and tagged with the matter referred herein below at "*II. Litigation involving our Subsidiaries–H. Litigation involving Threpsi Solutions Private Limited - Other material outstanding litigation involving Threpsi Solutions Private Limited -. Material Outstanding Litigation involving our Subsidiaries- (2)"* due to the similar issues in the two writ petitions. The matter has not yet been heard due to the nationwide lockdown imposed on account of the COVID-19 pandemic and is currently pending.

3. Small Retail Chemists Association, Abhishek Ganguli, Shantu Mondal and Jagdish Prasad Agarwal (collectively the "**Petitioners**") have filed a writ petition under Article 226 of the Constitution of India on March 27, 2019 before the Calcutta High Court against, among others, the Directorate of Enforcement, Directorate of Food and Drug Administration, Controller of Legal Metrology, the Union of India, Reserve Bank of India, Ministry of Electronics and Information Technology, Medical Council of India, the Department for Promotion of Industry and Internal Trade (collectively as "**Respondent Authorities**"), 91Streets, Medlife and other companies with similar business models. The Petitioners by way of this writ petition have sought relief, *inter alia*, to the extent of directions to the Respondent Authorities to take action, investigations and issue necessary orders to prohibit transactions on the alleged-commerce platforms of 91Streets and Medlife. The Petitioners have also sought relief to take appropriate steps to ban or prevent or prohibit e-commerce transactions on the alleged e-commerce platforms pertaining to medical or pharmaceutical products or services in alleged breach of the foreign exchange laws, the Drugs Act, the Legal Metrology Act, 2009, and further to cease and desist websites of "PharmEasy" and "Medlife" and the websites of other similar business models being run in India and discontinuing sales relating to pharmaceutical products. Further, 91Streets has responded in its counter affidavit that it was the owner of the brand 'PharmEasy', however does not operate the marketplace, that there was no contravention of laws of legal metrology and that the e-commerce entity was not governed by the foreign exchange laws as alleged by the Petitioners. Medlife, in its counter affidavit has submitted that it had not received any foreign investment in respect of its business and therefore foreign exchange laws did not apply to it. Medlife has also recorded in its counter affidavit that its operations are not in contravention of the Drugs Act, Drugs Rules or the Legal Metrology Act, 2009. The Calcutta High Court declined to grant interim reliefs to the Petitioners due to existing Madras High Court Order and an interim order would prevent conducting of the business of 91Streets, Medlife and other companies with similar business models. The matter is currently pending.

C. Other notices against our Company

1. Our Company and our Subsidiary, Docon Technologies Private Limited have received a notice dated October 23, 2021 ("**Notice**"), from A. Sundararaju HUF ("**Complainant**"), an erstwhile shareholder and member of the promoter group of Thyrocare. The Notice pertains to the acquisition of equity shares of Thyrocare by Docon from, among others, the Complainant. The Notice alleges that the parties named therein colluded to facilitate the sale of shares of Thyrocare by the Complainant to Docon through an off-market transaction, rather than as an on-market sale. This off-market transaction is alleged to have caused significant financial loss to the Complainant as a result of long term capital gains becoming due at a higher rate on the off-market transaction under applicable laws, as against that applicable to an on-market transaction. The Notice further alleges that this off-market transaction was undertaken to deliberately prevent acquisition at a market driven price, and that the parties named in the Notice had colluded with our Company and Docon to enable the transaction, while giving the Complainant the impression that an off-market transaction would be financially beneficial to it. The Complainant has alleged that it incurred a loss of around ₹ 268.50 million ("**Claim**") as a result of these actions, due to paying applicable taxes at the higher rate. The Complainant has sought an unconditional apology from the parties named in the Notice and has sought compensation for the alleged financial loss of 268.50 million incurred by it, together with interest at the rate of 18% per annum until the date of payment of Claim., along with an additional sum of ₹ 250 million as compensation for the mental agony and reputational loss suffered by it, within 15 days from the date of receipt of the notice. Our Company has sent its response to the Notice by the Complainant in this regard.

II. Litigation involving our Subsidiaries

A. Litigation involving Ascent Wellness and Pharma Solutions Private Limited ("Ascent Wellness")

<u>*Criminal proceedings involving Ascent Wellness*</u>

Filed by Ascent Wellness

1. Ascent Wellness has filed a written complaint ("**Complaint**") on May 31, 2021 with the Senior Police Inspector, Bhandup Police Station against the Akhil Bhartiya Kamgar Karmachari Sangh alleging harassment against the employees of Shree Simba Chemist, a unit of Ascent Wellness. Ascent Wellness has also sought protection from the aforementioned harassment against the employees of Shree Simba Chemist. The matter is currently pending.

Actions taken by regulatory and statutory authorities

1. Shree Simba Chemists, a unit of Ascent Wellness , has received a notice dated August 17, 2021 from the office of the inspector of Legal Metrology, Mumbai, Maharashtra ("**Authority**") in relation to distribution of pulse oximeter JZ1KI 305 (packaged commodity) with incorrect disclosure about the manufacturer under section 18(1) of the Legal Metrology Act, 2009 read with rule 18(1) of the Legal Metrology (Packaged Commodities) Rules, 2011. The response dated August 27, 2021 has been submitted to the Authority highlighting non-receipt of the seizure receipt dated May 24, 2021 and notice dated May 27, 2021 and requesting personal hearing for submitting satisfactory response. Shree Simba Chemists, a unit of Ascent Wellness has written to the Authority wherein compounding of the offence has been sought. Ascent Wellness has not received any subsequent communication from the Authority.

   Regulatory notices received by Ascent Health and Wellness Solutions Private Limited are disclosed herein below pursuant to the business of Ascent Health and Wellness Solutions Private Limited being transferred to Ascent Wellness by Business transfer agreement dated August 26, 2020. For further details, see "History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated August 26, 2020 entered into by and between our Company, Ascent Health and Wellness Solutions Private Limited and Ascent Wellness and Pharma Solutions Private Limited" beginning on page 217.

2. Ascent Health and Wellness Solutions Private Limited has received a letter dated August 20, 2019 from the RBI stating that in its view it was undertaking a non-banking financial institutional activity under Section 45 IA without obtaining a certificate of registration during the financial years 2016-17 and 2018-19 according to the audited financial statements. Ascent Health and Wellness Solutions Private Limited has responded to the RBI clarifying it was involved in the business of distribution of pharmaceutical products in India and it did not satisfy the criteria to be categorised as a non-banking financial company. Ascent Health and Wellness Solutions Private Limited and neither Ascent, the assignee entity undertaking its business has received any subsequent notice or communication from the RBI.

   Regulatory notices received by Shree Simba Chemists, a unit of Ascent Health and Wellness Solutions Private are disclosed herein below pursuant to the business of Ascent Health and Wellness Solutions Private Limited being transferred to Ascent Wellness by Business transfer agreement dated August 26, 2020. For further details, see "History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated August 26, 2020 entered into by and between our Company, Ascent Health and Wellness Solutions Private Limited and Ascent Wellness and Pharma Solutions Private Limited" beginning on page 217.

   Shree Simba Chemist, a unit of Ascent Health and Wellness Solutions Private Limited received a show cause notice dated March 26, 2019 from the Office of the Joint Commissioner, Food and Drug Administration, Maharashtra ("**FDA**"), stating that Shree Simba Chemist purchased Galvus 50 mg medicines from Nivaan Pharmaceuticals alleging that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme ("**Allocated Usage**"). Shree Simba responded to the FDA through its letter clarifying the nature of purchase was on an as is where condition basis from Nivaan Pharmaceuticals under a valid purchase invoice and was sold without any alteration or modification of any particulars and was not aware of the Allocated Usage. Shree Simba Chemist received an order from FDA, where in the drug license was suspended for 15 days with effect from August 23, 2019. An appeal was filed before the Minister, Food and Drugs Department, State of Maharashtra ("**Minister, FDA**") for seeking a stay on the cancellation of license and the stay was granted. Subsequently, pursuant to an order of Minister, FDA, dated October 10, 2019, the drug license was further suspended for a period of 15 days, with effect February 1, 2020 ("**Impugned Order**"). Shree Simba Chemist filed a writ petition before the High Court of Judicature at Bombay ("**High Court**") where it sought stay of and quashing and setting aside of the Impugned Order and restoring the drug license. The High Court has granted interim protection to Shree Simba Chemist till the next date of hearing vide its order dated February 28, 2020. The matter is currently pending.]

B. *Litigation involving D.C. Agencies Private Limited ("D.C. Agencies")*

Actions taken by regulatory and statutory authorities

1. D.C. Agencies has received a show-cause notice dated August 26, 2021 from the Delhi Pollution Control Committee for closure of its premises in New Delhi. The notice states that D.C. Agencies is operating an industrial unit and is allegedly in contravention of section 21 or 22 read with section 31A of the Air (Prevention and Control of Pollution) Act, 1981 and section 25/26 read with section 33A of the Water (Prevention and Control of Pollution) Act, 1974. D.C. Agencies has filed a response to the notice with the Delhi Pollution Control Committee. The matter is currently pending.

C. *Litigation involving Desai Pharma Distributors Private Limited ("Desai Pharma")*

Actions taken by regulatory and statutory authorities

1. Desai Pharma received a show cause notice dated June 18, 2019 from the Office of the Joint Commissioner, Food and Drug Administration, Maharashtra("**FDA**") stating that Desai Pharma purchased Galvus 50 mg medicines from Nivan Pharmaceuticals alleging that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme ("**Allocated Usage**"). Desai Pharma responded to the FDA clarifying the nature of purchase was on an as is where condition basis from Nivaan Pharmaceuticals under a valid purchase invoice and was sold without any alteration or modification of any particulars and was not aware of the Allocated Usage. FDA by order dated August 19, 2019 cancelled the licenses of Desai Pharma for violations of rule 65(17) and 67(18) of the Drugs Rules with effect from November 20, 2019. An appeal was filed before the Minister, Food and Drugs Department, State of Maharashtra ("**Minister, FDA**") seeking a stay of the cancellation of license which was granted by way of order dated May 20, 2019. This order was partially amended on December 3, 2019 suspending the license for a period of 15 days ("**Impugned Order**"). Desai Pharma has filed a writ petition before the High Court of Judicature at Bombay ("**High Court**") where it has sought stay, quashing and setting aside of the Impugned Order and restoration of the drug license. The High Court by way of order dated January 9, 2020 granted a stay on the order of suspension of license of Desai Pharma. The matter is currently pending. The High Court has further by way of order dated March 6, 2020 granted ad-interim or interim relief till the next date of hearing. The matter is currently pending.

D. *Litigation involving Docon Technologies Private Limited ("Docon")*

Criminal proceedings involving Docon

Filed by Docon

1. Docon has filed written complaints with the Police Station in relation to dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1881 against Harsh Kanekal, for the non-refund of the security deposit paid under the leave and license agreements between Docon and Harsh Kanekal. The matter is currently pending.

Other notices against Docon

1. Docon Technologies Private Limited have received a notice dated October 23, 2021 ("**Notice**"), from A. Sundararaju HUF ("**Complainant**"), an erstwhile shareholder and member of the promoter group of Thyrocare. For further details, please see "*I. Litigation involving our Company – Litigation against our Company –C. Other notices against our Company*" on page 710.

E. *Litigation involving Eastern Agencies Healthcare Private Limited("Eastern")*

Actions taken by regulatory and statutory authorities

1. Eastern received a show cause notice ("Notice") dated June 27, 2019 from the Office of the Assistant Commissioner (Brihanmumbai), Food and Drug Administration, Maharashtra("**FDA**") stating that on inspection, Directors of the shop, namely Hardik Dedhia and Harsh Parekh were not present and allegedly medicines were being sold in their absence in violation of rule 65(5) of the Drugs Rules while also stating that Eastern purchased Galvus 50 mg medicines from Nivaan Pharmaceuticals alleging that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme ("**Allocated Usage**"). Eastern

responded to the FDA clarifying the nature of purchase was on an as is where condition basis from Nivaan Pharmaceuticals and that Eastern was not aware of the Allocated Usage. FDA by order dated April 10, 2019, cancelled the licenses of Desai Pharma under rule 66(1) and 67(H)(1) of the Drugs Rules. An appeal was filed before the Minister, Food and Drugs Department, State of Maharashtra wherein a stay on the license cancellation was sought which was granted by way of order dated May 20, 2019. This order was partially amended suspending the license for a period of 15 days ("**Suspension Order**"). Eastern has filed a writ petition before the High Court of Judicature at Bombay ("**High Court**") where it has sought stay of the Suspension Order and restoration of the drug license. The High Court has granted interim protection to Eastern till the next date of hearing. The matter is currently pending.

2. The Municipal Corporation of Greater Mumbai ("**Authority**") has issued a show cause notice dated April 5, 2021("**Notice**") and a speaking order ("**Order**") dated April 22, 2021 to Eastern basis a complaint by under Section 351(1) of the Mumbai Municipal Corporation Act, 1888 ("**Act**") alleging unauthorised constructions of structure used as store with additions or alterations or amalgamations directing discontinuation of the usage of the structure and for removal of the notice structure situated at 6 Mohan Studio, Eastern Agencies Healthcare Private Limited, Andheri Kurla Road, Andheri East, Mumbai("**Notice Structure**"). Eastern responded to the Notice denying all allegations of unauthorised construction and encroachment and has filed a writ petition ("**writ petition**") before the High Court of Judicature at Bombay ("**High Court**") wherein it has challenged the Notice and has sought reliefs including finding the Notice ultra vires under Section 351 of the Act, unconstitutional, illegal, arbitrary, mala fide and contrary to the High Court's order dated April 16, 2021, and to stay the Notice and implementation of the Order while also injuncting the officers or employees of the Authority from taking any action pursuant to the Notice. The High Court considered that the Notice Structure was being used for essential storage of medicines and passed an interim order dated May 4, 2021 recording that no coercive action was to be taken against the Notice Structure till June 30, 2021 or until further orders, whichever is earlier. The High Court has suo moto extended protection by interim order till August 31, 2021 or until further orders, whichever is earlier. The matter is currently pending.

F. *Litigation involving Medlife Wellness*

Medlife Wellness has received two notices from the labour authorities in Bangalore, Karnataka for the purpose of inspection of records and documents under various statutes including Payment of Bonus Act, 1965 and rules thereunder, Payment of Gratuity Act, 1976, Karnataka Industrial Establishment (National and Festival Holiday) Act, 1963 and the Maternity Benefit Act, 1961. Subsequently, Medlife Wellness has responded to each of these notices and submitted the documents with the relevant authorities. Medlife Wellness has not received any further communication from these authorities post submission of the replies.

G. *Litigation involving Nueclear*

Criminal proceedings involving Nueclear

Filed by Nueclear

Nueclear has filed a criminal case against Vatsal Goyal, who was known to the promoters of Nueclear and was appointed in a senior managerial position as "head – strategy and acquisitions", before the Judicial Magistrate First Class, Vashi for criminal breach of trust and cheating under sections 406 and 420 of the Indian Penal Code, 1860 in relation to negative postings about the management of Thyrocare in the social media. The matter is currently pending.

Material outstanding litigation involving Nueclear

Filed by Nueclear

1. Nueclear has initiated arbitration proceedings against Raipur Nueclear Health Care Centre ("**RNHCC**") and its partners pursuant to notice of arbitration dated June 5, 2020 challenging termination by the RNHCC of the healthcare services agreement entered into by Nueclear with the RNHCC along with the participation and support of the government of Chhattisgarh to scale its existing expertise in PET-CT services within Raipur. Nueclear filed its statement of claim on 16 December 2020, raising a total claim of ₹ 335.45 million against RNHCC and its partners. Nueclear has also raised a claim of ₹ 15.31 million through a notice of arbitration dated February 20, 2021 against owners of the premises wherein the PET-CT services were being provided, namely, Sanjay Kanhaiyal Lal Jain and Rekha Jain,. The matter is currently pending.

Filed against Nueclear

1. Nueclear and BIC Healthcare Private Limited ("**BIC**") had entered into an agreement dated September 13, 2016 to jointly provide PET-CT scan services at various locations within the state of Gujarat. Disputes arose wherein each party alleged contractual breaches on the part of the other party. Pursuant to this, BIC invoked arbitration proceedings against Nueclear, alleging non-payment of pending dues and seeking ₹10.33 million from Nueclear. Nueclear, on the other hand, has sought ₹ 271.98 million from BIC for its breaches of the agreement. Subsequently, Nueclear had filed a civil miscellaneous arbitration petition before the District Court, Vadodara seeking interim measures in respect of preservation of its PET-CT scan machines and equipment installed at the imaging centres in Surat and Vadodara, until the disposal of the miscellaneous arbitration petition. The District Court, Vadodara had ordered the parties to maintain status quo with respect to the PET-CT scan machines and equipment until the disposal of the almiscellaneous arbitration petition. The matter is currently pending.

H. Litigation involving Threpsi Solutions Private Limited

Criminal proceedings involving Threpsi

Filed by Threpsi

1. Threpsi has filed a written complaint dated October 1, 2021 ("**Complaint**") with the Bhandup Police Station, Mumbai against Sujay Sanjay Gaurav alleging theft, criminal breach of trust and misappropriation of Threpsi's inventory in its warehouse located at Mumbai. Threpsi gained knowledge of the alleged offence through CCTV recordings of cameras placed at the warehouse. The matter is currently pending.

Filed by Thea (whose business stood transferred to Threpsi by Business transfer agreement dated July 3, 2020. For further details, see "History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated July 3, 2020 entered into by and between Thea Technologies Private Limited and Threpsi Solutions Private Limited" beginning on page 217.)

1. Thea has filed a written complaint dated September 17, 2019 ("**Complaint**") with the Police Inspector, Sarkhej police station, Ahmedabad against Hardik Shah ("**Accused**") for stealing and theft of medicines from Thea's warehouse. The matter is currently pending.

2. Thea has filed a written complaint dated July 10, 2019("**Complaint**") with the Pant Nagar Police Station, Ghatkopar East and written complaints dated February 12, 2018, against Atul Shah of Darshan Chemists before the Kandivali East (Santa Nagar) Police Station and the Kandivali West (Charkop) Police Station alleging cheating and fraud. Darshan Chemists had obtained supplies from Thea and failed to pay dues amounting to ₹ 3.18 million. The matter is currently pending.

3. Thea has filed a written complaint dated July 10, 2019("**Complaint**") with the Pant Nagar Police Station, Ghatkopar East and written complaints dated February 12, 2018, against Vishal Shah, Umesh Natwarlalshal of Darshana Medical and General Store before the Kandivali East (Santa Nagar) Police Station and the Kandivali West (Charkop) Police Station alleging cheating and fraud. Darshana Medical and General Stores had obtained supplies from Thea and failed to pay dues amounting to ₹ 1.50 million. The matter is currently pending.

4. Thea received a show cause notice dated September 3, 2019 pursuant to an inspection by the State of Rajasthan through the Office of the Drug Control Officer ("**DCO Rajasthan**"). DCO Rajasthan had drawn a sample of the drug Losar H on August 9, 2019 which was found on testing to not be of a standard quality by notice dated September 2, 2019 upon testing. Thea had procured the drugs from M/s. Darsh Pharma. Pursuant to this, Thea has filed a first information report against M/s. Darsh Pharma with the Ashok Nagar Police Station, Jaipur for selling it substandard drugs. The matter is currently pending.

Other material outstanding litigation involving Threpsi Solutions Private Limited

1. Please see "*I. Litigation involving our Company – Litigation against our Company – Other Material Outstanding Litigation*" on page 709 for material outstanding litigations against 91Streets pursuant to the business of 91Streets being transferred to Threpsi by Business transfer agreement dated September 25, 2020. For further details in relation to such transfer, see *"History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers,*

amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated September 25, 2020 entered into by and between our Company and Threpsi Solutions Private Limited " beginning on page 217.

2. Dr. Zaheer Ahmed ("**Petitioner**") has filed a writ petition before the High Court of Delhi on October 27, 2018 against, among others, the Union of India, Government of Delhi, National Capital Territory through the Secretary of Ministry of Health and Family Welfare Central Drugs Standard Control Organisation, Drugs Controller, Government of Delhi ("**Respondent Authorities**"), 91Streets and other entities with similar business models being run in India. The Petitioner *vide* this writ petition has sought relief, *inter alia*, to the extent of directions to the Respondent Authorities to take action against entities distributing, selling, offering to sell or exhibiting drugs on the internet, constituting an expert committee to ascertain the total number of websites engaged in distributing, selling, offering to sell or exhibiting drugs on the internet, impose a ban on distribution, sale, offer to sale, exhibition or purchase of drugs on the internet, blocking the website links on the internet of entities selling or offering to sell drugs on the internet and to take action and commence prosecutions against entities distributing, selling, offering to sell or exhibiting drugs on the internet. By an order dated December 12, 2018 ("**Interim Injunction Order**"), the High Court of Delhi passed an interim injunction against the online sale of medicines without license and directed such sale to be prohibited by the Respondent Authorities. By an application dated December 14, 2018, 91Streets impleaded itself as a party respondent and filed an application wherein it sought vacation of the Interim Injunction Order. By an application dated May 8, 2019 91Streets sought removal from the respondents list pursuant to the PharmEasy marketplace being operated by a third party entity. 91Streets has filed its reply on merits on November 29, 2019 responding to specific allegations in the writ petition. The Petitioner has also filed a contempt petition against 91Streets and its directors before the Delhi High Court alleging contempt of the Interim Injunction Order. 91Streets has replied to this contempt petition. Both the matters are currently pending.

Actions taken by regulatory and statutory authorities

Regulatory notices received by 91Streets are disclosed herein below pursuant to the business of 91Streets being transferred to Threpsi by Business transfer agreement dated September 25, 2020. For further details, see "History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated September 25, 2020 entered into by and between our Company and Threpsi Solutions Private Limited" beginning on page 217.

1. A notice dated January 21, 2021 addressed to PharmEasy marketplace was issued by the Food Safety Officer, Food and Drug Administration, Yavatmal ("**Authority**") under section 24(1), 24(2) (a) and (b) of Food Safety and Standards Act, 2006 read with provisions of the Food Safety and Standards (Health supplements and Nutraceuticals) Regulations, 2016, stating that promotion of a product Vita kid (Healthvit) was done without including the required advisory warning, thereby promotion being misleading. Threpsi in its response to the Office of Assistant Commissioner, Food and Drug Administration, Maharashtra State, clarified that it had merely developed the "PharmEasy Platform" and had further licensed to a third-party company conducting the operations and therefore the notice was to be redirected in this regard. Threpsi has not received any subsequent notice.

2. Threpsi has received a notice dated June 3, 2021 from the Food and Drugs Regulator, Vastrapur, Ahmedabad under Section 18 of the Drugs Act read with rule 65 of the Drugs Rules by which the Authority had alleged certain non-compliances such as display of license copy, submission of inspection book, noted required refrigeration of certain medicines and availability of the sale and purchase data during inspection. Threpsi has replied to the notice on June 5, 2021 and responded to the Authority and complying with the directives such as display of license and availability of the purchase data during inspections and has clarified that the required refrigeration of medicines referred in the notice had just arrived in the warehouse.

3. Labour Department Officer, Bengaluru issued a letter of instruction dated September 27, 2021 directing Threpsi to share certain registers and records for inspection of registers to be maintained under the Labour Contract (Prohibition and Regulation) Act, 1970 and Rules 1974 and the Minimum Wage Act, 1948 and the Karnataka Minimum Wages Rules, 1958 for employees contracted from five contractors namely, Team HR GSA Private Limited, SLV Consulting Private Limited, G4S Secure Solutions Private Limited, M/s. Bharat Facilities and Golden Star Facilities and Services Private Limited(collectively "**Contractors**"). The Contractors have acknowledged receipt

of the requirements from the Labour Department Officer which have been shared with Threpsi. Threpsi has not received any subsequent notice.

4. Enforcement Directorate, Ministry of Finance, Government of India ("**Authority**") has issued a summons notice dated November 10, 2020 ("**ED Notice**") addressed to Thea under the Prevention of Money Laundering Act, 2002 seeking appearance with the following documents including (i) photocopy of passport, permanent residential proof (Aadhar card, election voter identity card and driving license) along with originals for verification with one latest photo;(ii) details of all bank accounts maintained by Thea, details of Thea's companies or firms or companies in and outside India; (iii) details of movable and immovable assets held in the name of Thea, family members with sources of funds; (iv) copies of application filed for issue of drug license, copy of license, details of security amount; (v) copy of income tax return; (vi) copy of notice or order issued or passed by drugs controlling authority;(vii) details of purchase transactions made with Darsh Pharma Jaipur along with copies of bills, payments made, stock ledger, etc; (viii) copy of purchase and sales registers since April 2013 onwards; (ix) details of invoices of buying or selling medicine Losar H, including bank statements indicating transaction details of credits/debits against Losar-H and details of cases or complaints lodged against Thea along with documents of complaint or case. Threpsi by way of letter dated December 10, 2020 apprised the Authority that Thea stood transferred to Threpsi and ceased to exist as of August 26, 2020 with the business of Thea being undertaken by Threpsi with a valid drug license. Puneet Kumar Jain, an authorised representative of Threpsi appeared before the Authority while no statement was recorded on that day and provided responses for the queries raised and all supporting documents while also noting availability of directors by way of video conferencing or physical appearance. Amit Singh, director of Thea has also written to the Authority by a letter dated December 22, 2020 expressing his apologies for his inability to appear and extended his cooperation for meeting either in physical appearance or contact telephonically. Threpsi has not received any subsequent notice.

5. 91Streets has received 12 show cause notices dated December 11, 2020 from the Office of Senior Inspector, Department of Legal Metrology (Weights and Measures), Moradabad ("**Authority**") with respect to non-disclosure of mandatory information sold on PharmEasy marketplace under Section 18 of Legal Metrology Act, 2009 read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011. Threpsi in their replies to the abovementioned notices has submitted that PharmEasy marketplace was developed by 91Streets, the business which by way of corporate restructuring is now part of Threpsi which has licensed to a third party company for day to day running of the PharmEasy marketplace which is responsible and liable to address the issues raised by the Authority. Threpsi has not received any subsequent notice.

Thea also received a show cause notice ("**Notice**") dated March 28, 2019 from the Office of the Assistant Commissioner (Brihanmumbai), Food and Drug Administration, Maharashtra ("**Authority**") under rule 66(1) and 67(H)(1) of the Drug Rules stating that Thea purchased Galvus 50 mg medicines from Nivaan Pharmaceuticals stating and that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme ("**Allocated Usage**"). Thea responded to the Authority clarifying that the purchased medicines from Nivaan Pharmaceuticals did not bear labels of the Allocated Usage and that Thea was not aware of the Allocated Usage of the purchased medicines. Thea received a cancellation order under rule 66 of the Drugs Rules from the Joint Commissioner, Food and Drug Administration, Mumbai which was stayed on June 6, 2019. Subsequently, the Authority passed a suspension order of 15 days. Thea filed an appeal at the High Court of Judicature at Bombay pursuant to which a stay order was obtained against the suspension of the drugs license. Thea did not receive any subsequent notice, and neither the assignee entity undertaking Thea's business activities has received any subsequent notices. The matter is currently pending.

I. ***Litigation involving Thyrocare***

<u>*Criminal proceedings involving Thyrocare*</u>

Filed by Thyrocare

1. Thyrocare has filed seven complaints against various parties, under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques. These matters are pending at various stages of adjudication before various courts.

2. Thyrocare has filed a criminal case against Anand Dubey ("**Accused**") before the Judicial Magistrate First Class, Vashi for criminal breach of trust, cheating and forgery under sections 406, 420 and 465

of the Indian Penal Code, 1860. The Accused had misrepresented his previously held positions in certain entities along with the remuneration numbers to Thyrocare at the time of joining which were subsequently found to be forged. The matter is currently pending.

Actions taken by regulatory and statutory authorities

1. Thyrocare has received a notice dated October 10, 2018 from the anti-corruption branch of the Central Bureau of Investigation, Goa ("**CBI**") wherein information with respect to an investigation of the CBI was requested pertaining to Jeetendra Ranjan who had ordered a pathological report and who had availed pathological test lab facility for himself and his family members. CBI had requested information pertaining to the addresses of Sameer Sardesai and Prabha Sardesai who were the service providers or sample collectors from the residence of Jeetendra Ranjan. CBI also requested Thyrocare to provide details of test reports and payment receipts by Thyrocare from Jeetendra Ranjan and his family members since January 2009. Thyrocare by its reply dated March 8, 2019 has submitted the requested information and was able to furnish details of Jeetendra Ranjan only from 2015 onwards. Thyrocare has not received any subsequent communication from CBI]

2. Thyrocare has received a notice dated March 3, 2021 ("**Notice**") from the Office of the Assistant Commissioner of Police, Economic Offences Wing, New Delhi("**Authority**") for providing information and documents in relation to an FIR No. 34/21 dated February 12, 2021 against a third party entity under Section 406, 420 and 120B of the Indian Penal Code, 1860 wherein the Authority has by way of its Notice instructed Thyrocare to submit information and documents pertaining to COVID-19 testing kits that it procured from M/s Genestore India Private Limited with details of payment made and details of any further sale of the testing kits by it and further, in relation to any complaints that were made against the procured testing kits. Thyrocare in its reply dated March 13, 2021 has responded to the Authority by providing the information requested for the transactions, details of payments made, any further sale of the testing kits and for any complaints made by it against Genestore India Private Limited. Thyrocare has not received any response to the information provided and no proceedings have been initiated against it in this regard.

3. Thyrocare has received demand notices from the Regional Provident Commissioner -II sub-regional office, Vashi ordering the Company to pay outstanding dues under the EPF Act, for the period from March 2009 to March 2014, amounting to ₹ 5.27 million. Thyrocare filed a review application against the order dated May 11, 2015 which was rejected by the Employees Provident Fund Appellate Tribunal, Delhi pursuant to which an appeal was filed. Thyrocare deposited 40% of the dues payable amounting to ₹ 2.09 million while filing its appeal in 2016 and the appeal is pending. The balance amount of dues amounting to ₹ 3.1 million was deducted from the Thyrocare's bank account on instructions of the Assistant Provident Fund Commissioner, (Recovery), Sub regional office, Vashi which has been contested by Thyrocare. The matter is currently pending.

4. Thyrocare has received a notice from the Deputy Commissioner, Gas Claims Tribunal, Shahjahanabad, Bhopal dated July 12, 2021 for verification purposes that a certain report issued to one Mrs. Pushpa referred in the notice was validly issued by Thyrocare in one of its labs. Thyrocare has duly replied to the notice and has received no further communication or notice in this regard.

5. Thyrocare has received a notice from the Competition Commission of India("**Commission**") dated August 31, 2021 under Section 41(2) read with Section 36(2) of the Competition Act, 2002 wherein the Commission has directed Thyrocare to furnish information in regard to rate list of top 20 investigations/test (Non-CGHS), certain diagnostic tests for instance liver function test and renal biochemical profiles, X-Rays, Utlrasound, CT-Scans conducted at the diagnostic center at Delhi/National Capital Region for the years 2010, 2015 and 2020. Thyrocare has in its reply to the Commission provided the requested information concerning the various rate lists of the tests conducted at its Delhi/National Capital Region lab. Thyrocare has not received any subsequent notice.

6. Thyrocare has received a notice dated September 10, 2021 from the Delhi Medical Council("**Authority**") for a notice received by them from Tarun Baldua for certain tests conducted by Thyrocare. Thyrocare has replied to the notice from the Authority explaining the test procedure. Thyrocare has not received any subsequent notice.

7. Thyrocare has received a notice from the Deputy Commissioner, Gas Claims Tribunal, Shahjahanabad, Bhopal dated September 23, 2021 for verification purposes that a certain report issued to Sagira Nahid was validly issued by Thyrocare in one of its labs. Thyrocare has duly replied

to the notice verifying the authenticity of the report and providing the requisite details of the test conducted. Thyrocare has received no further communication or notice in this regard.

8. Thyrocare has received a notice from the Chief Medical Officer, Gautambudhnagar, Lucknow("**Authority**") requesting explanations concerning Covid samples collected in the jurisdiction of the Authority and details of reports issued to certain patients. Thyrocare has replied to the Authority explaining the location of its laboratory wherein Covid tests are processed and the requisite authority for conducting the said Covid tests which is conducted in Indian Council of Medical Research authorised labs only. Thyrocare has not received any subsequent notice.

Thyrocare from time to time receives requests for clarifications from the Stock Exchanges pertaining to disclosure requirements under the applicable securities laws, for instance, regarding increase in trading volumes, price movements, clarifications of news items, etc and provides its responses within the prescribed timelines. Further, there has been no communication has been received subsequent to our last response.

J. Litigation involving VPI Medisales Private Limited("VPI Medisales")

Criminal proceedings involving VPI Medisales

Filed by VPI Medisales

VPI Medisales filed a criminal complaint against Xolo Pharma Enterprises("**Xolo**") before the 42nd Additional Chief Metropolitan Magistrate, Bengaluru in relation to dishonour of cheque issued by Xolo for the pharmaceutical products supplied by VPI Medisales, under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

K. Certain notices from regulatory and statutory authorities

Our Company and our Subsidiaries receive notices from time to time from certain regulatory and statutory authorities including from the Food and Drugs Administration of various states in India, labour authorities, etc in relation to, among others requests for information and clarifications relating to our business, operations and past compliances. We reply to such notices as and when received. Further, except as disclosed in this section, no subsequent communication has been received from the relevant regulatory and statutory authorities subsequent to our last response to such authorities.

III. Litigation involving our Directors

Litigation involving Harsh Parekh, our Co-founder and Whole-time Director

A. Civil litigation

1. Akhil Bhartiya Kamgar Karamchari Sangh ("Union") has filed a complaint dated December 16, 2020 against Shree Simba Chemist and others, Harsh Parekh and Swifto Services Private Limited before the Industrial Court, Mumbai in relation to the notice given to Ascent Wellness by the Union for raising demands of some members of the Union. The complaint was filed under Section 28(1) and Item (a) and (b) of the Schedule II and Item 9 and 10 of Schedule IV of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971 before the Industrial Court, Mumbai in apprehension that such union activity might cause termination of employment. Subsequently, an amendment application was filed by the Union for inclusion of our Company, Dhaval Shah, Ashish Kumar, Ascent Wellness and Pharma Solutions Private Limited and Yash Jayesh Parekh. The Industrial Court has provided interim relief by order dated January 4, 2021 for maintaining status quo on termination of employment until further other. The matter is currently pending.

Litigation involving Siddharth Shah, our Co-founder, Managing Director and Chief Executive Officer

A. Actions initiated by regulatory and statutory authorities

1. Siddharth Shah and Hardik Dedhia, partners of Shree Simba Chemist, a unit of Ascent Wellness and Pharma Solutions Private Limited, have received a notice dated August 17, 2021 from the Office of Inspector of Legal Metrology, Mumbai, Maharashtra ("**Authority**") in relation to distribution of Pulse Oximeter JZ1KI 305 (packaged commodity) with alleged incorrect disclosure about the manufacturer under Section 18(1) of the Legal Metrology Act, 2009 read with Rule 18(1) of the Legal Metrology (Packaged Commodities) Rules, 2011. A response has been submitted to the Authority highlighting non-receipt of the seizure receipt dated May 24, 2021 and notice dated May 27, 2021 and requesting personal hearing for submitting

satisfactory responses. In this regard, Shree Simba Chemists, a unit of Ascent Wellness has written to the Authority wherein compounding of the offence has been sought. The matter is currently pending.

IV. Tax Proceedings

A summary table of the claims relating to direct and indirect taxes involving our Company, Subsidiaries and Directors is set forth below:

Nature of case	Number of cases	Amount involved (in ₹ million)
Our Company		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Subsidiaries#		
Direct Tax	19	505.16*
Indirect Tax	33	200.68*
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

* *To the extent quantifiable till November 8, 2021*

Material Tax Matters

1. Thyrocare received show cause notices for five consecutive years (collectively as, "**Tax Notices**") from the Income Tax Officer (Tax Deducted at Source) pursuant to which Thyrocare has filed detailed replies with annexures for each of the financial years. The tax department in pursuance of the Tax Notices passed an order of assessment u/s 201(1) and 201(1A) of the Income Tax Act, 1961, raising demands on a presumptive basis alleging that, Thyrocare Service Providers("**TSP**") are charging twice that from the patient than charged as being the turnover and alleging that the difference between the amount collected by the TSPs and the amount received by the Thyrocare is the commission earned by TSPs as agents of Thyrocare. Thyrocare has filed appeals before Commissioner of Income Tax("**CIT**") and in the relevant assessment years, the CIT has passed an order in favour of Thyrocare against which the tax department has preferred an appeal. The tax department filed an appeal before the tribunal, pursuant to which the tribunal reversed the order of the CIT. Thyrocare has preferred an appeal before the High Court of Judicature at Bombay ("**Bombay High Court**")pursuant to which the Bombay High Court passed detailed orders on September 11, 2017 setting aside the tribunal's decision and directing the tribunal to hear the appeal again fresh on merits. The disputed claim amount with the tax department amounts to ₹ 492.30 million. The matter is currently pending.

V. Outstanding dues to creditors

As of June 30, 2021, we had 4,601 creditors and the aggregate amount outstanding to such creditors was ₹ 3,116.15 million, both on a consolidated basis.

Details of outstanding dues owed as at June 30, 2021 to MSMEs and other creditors are set out in the table below:

Type of creditor	Number of creditors	Outstanding dues (in ₹ million)
MSMEs	185	63.08
Other creditors	4,416	3,053.07
Total	4,601	3,116.15

Based on the Materiality Policy, there are no material creditors of our Company as on June 30, 2021.

VI. Material developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 687, there have not arisen, since June 30, 2021, the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability / losses taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company, our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare, have received the necessary consents, licenses, permissions, registrations and approvals from the Government of India, 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, our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare, undertake to obtain all material approvals, licenses and permissions, as may be required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to undertake our 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 "Risk Factors" and "Key Regulations and Policies in India" on pages 43 and 191 respectively.

I. Material approvals in relation to the Issue

For the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 723.

II. Material approvals in relation to our Company

We have received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

A. Material approvals in relation to our incorporation

For details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" on page 197.

B. Material approvals in relation to our business operations

The material approvals in relation to our business operations are set forth below:

1. Registration certificate from the office of chief facilitator under the Maharashtra Shop and Establishments (Regulations of Employment and Conditions of Service) Act, 2017 obtained by our Company.

C. Certain other approvals

1. Permanent Account Number (PAN), Tax Deduction Account Number (TAN), Goods and Services Tax Number (GSTN), and professional tax registrations issued by respective tax authorities under relevant tax statutes.
2. Registrations under various employee and labour related laws including Payment of Gratuity Act, 1972, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; and the Employees State Insurance Act, 1948.

III. Material approvals in relation to our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare

1. License to sell, stock, or exhibit (or offer) for sale, or distribute drugs by wholesale under the Drugs and Cosmetics Act, 1940 obtained by Threpsi, Aryan Wellness, Mahaveer Medi-Sales, D.C. Agencies, Thyrocare and Aknamed.
2. License to carry on food businesses as wholesaler, retailer, supplier, and marketer in the relevant States under the Food Safety and Standards Act, 2006 obtained by Threpsi, Aryan Wellness, Mahaveer Medi-Sales, D.C. Agencies, and Thyrocare.
3. Registration certificate under the Shops and Establishment Act of Karnataka, Madhya Pradesh, Telangana, Maharashtra, Punjab, West Bengal, Bihar, Uttar Pradesh, Rajasthan, Tamil Nadu, Assam, Andhra Pradesh and New Delhi for the warehouses and commercial/industrial establishments obtained by Threpsi, Aryan Wellness, Mahaveer Medi-Sales, D.C. Agencies, Medlife Wellness, Thyrocare and Aknamed.
4. Certificate of Enlistment and Trade License issued by relevant State Municipal Corporations under the relevant State Municipal Corporation legislations obtained by Aryan Wellness, D.C. Agencies, Mahaveer Medi-Sales, Threpsi and Thyrocare.

5. Authorization for operating a facility for generation, collection, reception, treatment, storage, transport and disposal of bio-medical wastes issued by State Pollution Control Boards of relevant States under the Bio-Medical Waste Management Rules, 2016 obtained by Thyrocare.

6. License to import medical devices under the Drugs and Cosmetics Act, 1940 (23 of 1940) read with the Medical Devices Rules, 2017 issued by relevant drug licensing authorities for our premises in Maharashtra located at Plot No. D-37/1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai 400 703 obtained by Thyrocare.

7. Registration certificate under the Clinical Establishments (Registration and Regulation) Act, 2010 and the respective State legislations of Karnataka, Madhya Pradesh, Tamil Nadu and West Bengal issued by the relevant state authorities obtained by Thyrocare.

8. Certificate of Importer-Exporter Code issued by the Foreign Trade Development Officer, Ministry of Commerce obtained by Thyrocare for two of its premises located in Maharashtra and Threpsi for its premises located at 217, 2nd Floor, Jhalwar Building, Patanwala Compound, Near Shreyas, Ghatkopar, Mumbai, Maharashtra 400086.

IV. Material approvals and / or renewal of material approvals applied for by our Company, Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare but not received

Our Company, Material Subsidiaries, Aknamed and Thyrocare have obtained all material approvals, consents, licenses, registrations and permits that are required for undertaking their current business activities. Except as disclosed below, there are no applications for material approvals and/or applications for renewal of material approvals made by us that have not been received:

A. Our Company

1. Application for authorization for operating a facility for generation, collection, reception, treatment, storage, transport and disposal of bio-medical wastes issued by the Delhi State Pollution Control Board under the Bio-Medical Waste Management Rules, 2016 for our premises located at B-192, Naraina Industrial Estate, 2nd Floor, Rhynos Gym Building, Delhi 110 028.

B. Our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare

2. Application pending for Business License for factory/workshop or trade premises under the Haryana Municipal Corporation Act, 1994 for Threpsi for its premises located at Plot No, 17,18,19,20, Sector 18, Electronic City, District Gurugram, Haryana, 122015.

3. Application pending for registration under the Kerala Shops and Establishment Act, 1960 for Thyrocare for its premises located at 36/1631A, Thekkadath Complex, Amrita Hospital Road, AIMS PO, Ponekkara, Ernakulum, Kochi, Kerala.

4. Application pending for registration under Tamil Nadu Clinical Establishments (Regulation) Act, 1997 for Thyrocare for two of its premises located in Chennai and Coimbatore.

5. Application pending for renewal of license to import medical devices under the Drugs and Cosmetics Acts, 1940 read with the Medical Devices Rules, 2017 issued by relevant drug licensing authorities for Thyrocare for its premises located at Cold Storage, 1st Floor, West-East Corner, D/37-1, Turbhe, MIDC, Navi Mumbai 400705.

6. Application pending for registration under the Telangana Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 for Thyrocare for its premises located at H No 1-9-645/B, Vidyanagar, Adikmet Road, Near SBI Bank, Hyderabad 500044.

7. Application pending for renewal of bio-medical consent to operate under Biomedical Waste Management Rules, 2016 for Thyrocare for its premises located at Plot No D-37/1, TTC INDL Area, MIDC, Turbhe, Navi Mumbai 400703.

8. Application pending for obtaining a certificate of Enlistment and Trade License issued by relevant State Municipal Corporations under the relevant State Municipal Corporation legislations for Thyrocare for its premises located in Bihar, Haryana, Karnataka, Madhya Pradesh, Uttar Pradesh and Punjab.

V. Material approvals required or expired and in the process of being applied for by our Company, Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare

A. Our Company

1. Registration Certificate under the Shops and Establishment Act of Maharashtra, Delhi, Karnataka, West Bengal, Tamil Nadu, Telangana, Rajasthan, Madhya Pradesh, Gujarat and Uttar Pradesh for our commercial establishments.

2. Authorization for operating a facility for generation, collection, reception, treatment, storage, transport and disposal of bio-medical wastes issued by relevant State Pollution Control Boards under the Bio-Medical Waste Management Rules, 2016 for our premises located in Maharashtra, Karnataka, West Bengal, Tamil Nadu, Telangana, Rajasthan, Madhya Pradesh, Gujarat and Uttar Pradesh.

3. Authorization for setting up private pathological laboratories or collection centres issued by relevant Pollution Control Boards issued under the Water (Prevention and Control of Pollution) Act, 1974 for our premises located in Maharashtra, Delhi, Karnataka, West Bengal, Tamil Nadu, Telangana, Rajasthan, Madhya Pradesh, Gujarat and Uttar Pradesh.

4. Registration under the relevant clinical establishments' registration legislations of Karnataka and West Bengal.

5. Trade License issued by relevant State Municipal Corporations under the relevant State Municipal Corporation legislations for our premises located in Karnataka and West Bengal.

Further, pursuant to the Medlife Merger, we are in the process of applying for certain material approvals pertaining to the merged entities, in the name of our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on October 13, 2021. Further, our Shareholders have approved the Issue pursuant to a resolution dated October 13, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. This Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution dated October 28, 2021 and a resolution of the IPO Committee dated November 8, 2021.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company and our Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offeneder Act, 2018.

Our Company or its Directors are not declared as fraudulent borrowers by any lending banks, financial institution or consortium, in accordance with the terms of the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company has confirmed compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

Except for our Independent Director, Deepak Vaidya, who is also a director on the board of directors of UTI Capital Private Limited which is engaged in securities market related business and is registered with SEBI, none of our Directors are associated with entities associated with securities market in any manner. Further, no action has been initiated by SEBI against our Director Deepak Vaidya, in his capacity as the director on the board of directors of UTI Capital Private Limited in five years preceding the date of this Draft Red Herring Prospectus. For details, see "*Our Management*" beginning on page 227. Further, there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot at least 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Directors are debarred from accessing the capital markets by the SEBI.

(b) None of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company and our Directors have been categorized as a wilful defaulter, as defined in the SEBI ICDR Regulations.

(d) None of our Directors has been declared a fugitive economic offender.

(e) Other than the options granted under the ESOP Plan 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE 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, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, JM FINANCIAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND BOFA SECURITIES INDIA LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 8, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Issue will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All applicable legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those confirmed 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.apiholdings.in, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and 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 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 in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Subsidiaries and their respective directors, officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Subsidiaries and their respective directors, officers, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important non-banking financial companies, or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, VCFs, permitted state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, and to permitted non-residents including Eligible NRIs, AIFs, FPIs, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The delivery of this Draft Red Herring Prospectus, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Eligible Investors

The Equity Shares are being offered and sold:

i. in the United States to investors that are US QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and

ii. outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

11. The purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading 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 will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum or as may be required under applicable laws for the delayed period.

All Issue expenses shall be borne by our Company.

Consents

Written consent of our Directors, the BRLMs, our Company Secretary and Chief Compliance Officer, domestic legal counsel to our Company as to Indian Law, international legal counsel to our Company, domestic legal counsel to the BRLMs as to

Indian Law, international legal counsel to the BRLMs, special legal counsel to our Company, the independent chartered accountant and the predecessor auditors of our Company, Bankers to our Company, Registrar to the Issue, RedSeer have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Issue Account Bank(s)/ Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus and 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 filing with the RoC.

Expert to the Issue

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

Our Company has received written consent dated November 8, 2021 from Price Waterhouse Chartered Accountants LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an "expert" as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated October 28, 2021 on our Restated Consolidated Financial Information and their report dated October 28, 2021 on the Pro Forma Consolidated Financial Information and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has also received written consents dated (a) November 8, 2021 from MSKA and Associates, Chartered Accountants; and (b) November 8, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as "experts" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Thyrocare, and in respect of their audit reports, dated October 27, 2021 and May 8, 2021 on the Thyrocare Historical Financial Statements and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated November 8, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Ascent, and in respect of their audit report, dated October 31, 2021 on the Ascent Historical Financial Statements and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

We have also obtained consent dated November 2, 2021 from A.R. Sodha & Co, Chartered Accountants, in their capacity as predecessor auditors of our Company.

Our Company has also received consent dated October 28, 2021 from Saini Pati Shah & Co. LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as an "expert" in terms of the Companies Act, 2013, in relation to their certificate dated November 8, 2021 on the statement of special tax benefits available to (i) our Company and Shareholders; and (ii) our Material Subsidiaries, included in this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, Subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 104, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Thyrocare, our listed Subsidiary, has not made any capital issues (public, rights or composite) during the last three years.

Our associate companies, Equinox Labs Private Limited, Impex Healthcare Private Limited and Marg ERP Limited Company have not made any capital issues (public, rights or composite) during the last three years.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the 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 incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company in the last five years

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries of our Company

Except for Thyrocare Technologies Limited, none of our Subsidiaries are listed on any stock exchanges. Further, our Company does not have an identifiable promoter in terms of SEBI ICDR Regulations and the Companies Act:

Price information of past issues handled by the BRLMs

1) Kotak Mahindra Capital Company Limited

1. Price information of past issues handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-	-	-
2.	Vijaya Diagnostic Centre Limited	18,942.56	531[1]	September 14, 2021	540.00	+5.41%, [+4.50%]	-	-
3.	Aptus Value Housing Finance India Limited	27,800.52	353	August 24, 2021	333.00	-2.82%, [+5.55%]	-	-
4.	Cartrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31%, [+6.90%]	-	-
5.	Devyani International Limited	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	-	-
6.	Glenmark Life Sciences Limited	15,136.00	720	August 6, 2021	750.00	-6.40%, [+6.68%]	-12.85%, [+9.80%]	-
7.	Zomato Limited	93,750.00	76	July 23, 2021	116.00	+83.29%, [+3.75%]	+81.45%, [+15.20%]	-
8.	Clean Science and Technology Limited	15,466.22	900	July 19, 2021	1,755.00	+66.33%, [+5.47%]	+138.53%, [+16.42%]	-
9.	G R Infraprojects Limited	9,623.34	837[2]	July 19, 2021	1,715.85	+90.82%, [+5.47%]	+138.85%, [+16.42%]	-
10.	Krishna Institute of Medical Sciences Limited	21,437.44	825[3]	June 28, 2021	1,009.00	+48.10%, [-0.43%]	+48.35%, [+12.89%]	-

Source: www.nseindia.com

Notes:

1) *In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share*
2) *In G R Infraprojects Limited, the issue price to eligible employees was ₹ 795 after a discount of ₹ 42 per equity share*
3) *In Krishna Institute of Medical Sciences Limited, the issue price to eligible employees was ₹ 785 after a discount of ₹ 40 per equity share*
4) *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
5) *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
6) *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	12	358,203.77	-	-	3	3	4	1	-	-	-	1	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:
1. *The information is as on the date of this DRHP.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

2) Morgan Stanley India Company Private Limited

1. Price information of past issues handled by Morgan Stanley India Company Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Issue Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Zomato Limited	93,750	76	July 23, 2021	116.00	+ 67.4% [+ 4.2%]	+ 81.4% [+ 15.4%]	NA

Source: *www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.*
Notes:
1. *Issue Size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point*
2. *Benchmark index considered is NIFTY50*
3. *If the 30th/90th/180th day falls on a trading holiday then pricing information on the immediate next trading day has been considered*
4. *Pricing Performance for the company is calculated as per the final offer price*
5. *Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date*

2. Summary statement of price information of past issues handled by Morgan Stanley India Company Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	1	93,750	-	-	-	1	-	-	1	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

3) BofA Securities India Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited

Sr. No.	Offer Name	Offer Size (₹ in mm)	Offer Price (₹)	Listing Date	Opening Price on Listing Date (₹)(2)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing (3) (4) (5)	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing (3) (4) (6)	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing (3) (4) (7)
1	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	11-Oct-2021	715.00	-	-	-
2	Glenmark Life Sciences Limited	15,136.00	720.00	6-Aug-2021	750.00	-6.40% [+6.68%]	-12.85%[+9.80%]	-
3	Zomato Limited	93,750.00	76.00	23-July-21	116.00	+83.29% [+3.75%]	+81.45%[+15.20%]	-
4	UTI Asset Management Company Limited	21,598.80	554.00	12-Oct-20	500.00	-10.43% [5.87%]	-0.60%[+20.25%]	5.81% [24.34%]
5	SBI Cards and Payment Services Limited	103,407.80	755.00	16-Mar-20	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	12.50% [24.65%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Equity public issues in last 3 financial years considered.*
2. *Opening price information as disclosed on the website of NSE.*
3. *Benchmark index is CNX Nifty.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*
7. *180th listing day has been taken as listing date plus 179 calendar days.*

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	3	1,36,568.56	-	-	1	1	-	-	-	-	-	-	-	-

2020-21	1	21,598.80	-	-	1	-	-	-	-	-	-	-	-	1
2019-20	1	103,407.80	-	1	-	-	-	-	-	-	-	-	-	1

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *Based on the day of listing*

4) Citigroup Global Markets India Private Limited

1. Price information of past issues handled by Citigroup Global Markets India Private Limited:

S.No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	NA	NA	NA
2	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[5.55%]	NA	NA
3	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31%[+6.90%]	NA	NA
4	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29%[+3.75%]	+81.45%[+15.20%]	NA
5	Kalyan Jewellers India Limited	11,748.16	87.00	March 26, 2021	73.95	-24.60%[-1.14%]	-7.07%[+8.13%]	-21.95%[+19.92%]
6	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%[+18.27%]	+104.17%[+17.49%]
7	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	-10.43%[+5.87%]	-0.60%[20.25%]	+5.81%[+24.34%]
8	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70%[-1.99%]	+23.76%[-4.09%]

Source: www.nseindia.com

Notes:
(1) Nifty is considered as the benchmark index.
(2) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
(3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	4	1,79,218.21	-	-	2	1	-	-	-	-	-	-	-	-
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	1	1	-	1
2019-20	1	13,452.6	-	-	-	-	-	1	-	-	-	-	-	1

Source: www.nseindia.com

Notes:

(1) The information is as on the date of the document.

(2) The information for each of the financial years is based on issues listed during such financial year.

(3) Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

5) JM Financial Limited

1. Price information of past issues handled by JM Financial Limited

Sr. No.	Issue name	Issue Size (in ₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	Not Applicable	Not Applicable	Not Applicable
2.	Krsnaa Diagnostics Limited[9]	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	Not Applicable	Not Applicable
3.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	22.28% [6.79%]	31.50%[10.20%]	Not Applicable
4.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	92.54% [5.87%]	136.37% [15.78%]	Not Applicable
5.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	66.33% [5.47%]	138.53% [16.42%]	Not Applicable
6.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	4.26% [10.72%]	Not Applicable

Sr. No.	Issue name	Issue Size (in ₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
7.	Shyam Metalics and Energy Limited[7]	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	22.65% [11.22%]	Not Applicable
8.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	93.40% [11.22%]	Not Applicable
9.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	146.32% [27.71%]
10.	Anupam Rasayan India Limited[8]	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49%[8.23%]	37.12%[20.87%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount") equivalent to ₹ 15 per Equity Share.*
8. *A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *Not Applicable – Period not completed*

2. Summary statement of price information of past issues handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (in ₹ million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	9	1,65,177.63	-	-	1	2	3	2	-	-	-	1	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

** *Spandana Sphoorty Financial Limited raised ₹ 11,898.49 million as against the issue size of ₹ 12,009.36 million*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Lead Managers, as provided in the table below:

S. No.	Name of the BRLM	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Morgan Stanley India Company Private Limited	www.morganstanley.com Investor Grievance ID: investors_india@morganstanley.com
3.	BofA Securities India Limited	www.ml-india.com
4.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
5.	JM Financial Limited	www.jmfl.com

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for RIB who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay, which period shall start from the day following the receipt of a complaint from the investor. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on pages 96.

Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any act of the SCSBs, including any default in complying with their obligations under the applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on 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 Ms. Drashti Shah, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

Drashti Shah
902, 9th Floor, Raheja Plaza 1, B-Wing
Opposite R-City Mall, L.B.S. Marg
Ghatkopar West
Mumbai 400 086
Maharashtra, India
Tel: +91 22 6255 6255
E-mail: corporatesecretarial@apiholdings.in

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES, upon filing of this Draft Red Herring Prospectus.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" beginning on page 227. Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Disposal of investor grievances by listed Group Companies

Our Company does not have any Group Companies.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. 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 Exchanges, the RBI, RoC and/or other authorities and 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 their approval for the Issue, to the extent and for such time as these continue to be applicable.

Ranking of Equity Shares

The Equity Shares being Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company from the date of Allotment. For details, see "*Main Provisions of Articles of Association*" beginning on page 765.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines, policies or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 249 and 765, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹ 1 and the Issue 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 Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and advertised in all editions of [●] an English national daily newspaper, [●] a Hindi national daily newspaper and [●] a Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective 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. The Issue Price shall be determined by our Company in consultation with the Managers, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of Equity Shares.

The Issue

The Issue comprises a fresh issue of Equity Shares by our Company.

Expenses for the Issue shall be borne by our Company. For details, see "*Objects of the Issue - Issue Expenses*" on page 137.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our 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 and e-voting, 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 of the Equity Shares, 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 SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend etc., see "*Main Provisions of Articles of Association*" beginning on page 765.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form and 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 Issue:

- Agreement dated August 21, 2020 amongst NSDL, our Company and the Registrar to the Issue;
- Agreement dated July 6, 2020 amongst CDSL, our Company and the Registrar to the Issue.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purposes of the Issue is with the competent courts/ authorities in Mumbai, India.

Joint Holders

Subject to the provisions of the Articles of Association of our Company, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 and the rules notified thereunder, 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 the 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 in the prescribed form available on request at our Registered and Corporate Office or to the Registrar and Share Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall, upon the production of such evidence as may be required by our 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, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, 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 Issue 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 Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, 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 the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Issue, the BRLMs will submit reports of compliance with the prescribed listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Issue 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 (ii) filing of the Prospectus with the RoC. If our Company, in consultation with the BRLMs withdraw the Issue after the Bid/ Issue Closing Date and thereafter determine that it will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Issue Programme

BID/ ISSUE OPENS ON	[●]*
BID/ ISSUE CLOSES ON	[●]**

* *Our Company in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period will be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

** *Our Company in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Issue BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

The above timetable is indicative and does not constitute any obligation or liability on our Company 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 six Working Days of the Bid/ Issue Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company in consultation the BRLMs, 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.

SEBI is in the process of streamlining and reducing the post-issue timeline for initial public offerings. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and revision in Bids	Only between 10:00 a.m. and 5:00 p.m. (Indian Standard Time ("**IST**"))
Bid/ Issue Closing Date	
Submission and revision in bids	Only between 10:00 a.m. and 3:00 p.m. IST

On the Bid/ Issue Closing Date, the Bids 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.

On Bid/ Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLMs and the Registrar to the Issue on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue 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/ Issue Closing Date, 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 Issue. Bids and revisions in Bids will be accepted only during Working Days, during the Bid/ Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Issue period. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in the Bids shall not be accepted on Saturday and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue 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 at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Issue on the Bid/ Issue Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Issue Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest as prescribed under the Companies Act 2013, SEBI ICDR Regulations and other Applicable Law.

In terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Issue Equity Share capital of our Company and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 104. and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" beginning on page 765.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

ISSUE STRUCTURE

Issue of [•] Equity Shares for cash at price of ₹ [•] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 62,500 million. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

Our Company may, in consultation with the BRLMs, consider further issue of Equity Shares by way of a private placement of Equity Shares for cash consideration aggregating to ₹ 12,500 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company.

The face value of the Equity Shares is ₹1 each. The Issue 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)	Not less than [•] Equity Shares	Not more than [•] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not more than [•] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not less than 75% of the Issue Size shall be Allotted to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to the Net QIB Portion	Not more than 15% of the Issue or Issue less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not more than 10% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "*Issue Procedure*" beginning on page 748.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [•] Equity Shares so that the Bid Amount exceeds ₹200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue	Such number of Equity Shares in multiples of [●] Equity Shares so

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	exceeding the size of the Issue, subject to applicable limits	(excluding the QIB Portion), subject to applicable limits	that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors)		
Mode of allotment	Compulsorily in dematerialised form		
Allotment lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading lot	One Equity Share		
Who can apply[(3)]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million 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, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Issue.*

(1) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.*

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, may 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 Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 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 Issue Price.*

(3) *If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

The Bids by FPIs with certain structures as described under "Issue Procedure" beginning on page 748 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue 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 BRLMs and the Designated Stock Exchange, on a proportionate basis.

ISSUE PROCEDURE

All Bidders should read the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general, in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations, which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of the CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document which are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, may 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 Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 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 Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange and subject to applicable law. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of other categories.

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, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and

Corporate Office is located, each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Issue.

b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. RIBs can additionally Bid through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs (other than Anchor Investors) and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[•]
Non-residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[•]
Anchor Investors	[•]

* *Excluding electronic Bid cum Application Form.*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs are required to send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares

are only being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by the BRLMs, Syndicate Members, and their associates and affiliates

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Issue under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associates of the BRLMs.

Further, an Anchor Investor shall be deemed to be an "associate of the Manager" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

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 reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that such 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

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Bid cum Application Form meant for Non-Residents, should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

In accordance with the FEMA rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 764. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids should be made by Hindu Undivided Families in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route)

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("**MIM**") structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Instruments Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their respective corpus in one investee company. A category III AIF cannot invest more than 10% of its corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with 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 BRLMs reserve 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 ("**Banking Regulation Act**"). and the Reserve Bank of India Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

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 BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, 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 BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation from the BRLMs, may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and will be completed on the same day.

(e) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

    (ii) 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

    (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue 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/ Issue Opening Date, through intimation to the Stock Exchange.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.

(i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Issue under the Anchor Investor Portion. For details, see "- *Participation by the BRLMs, Syndicate Members, and their associates and affiliates*" on page 752.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company 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 the Red Herring Prospectus and the Prospectus.

In accordance with existing regulations by the RBI, OCBs cannot participate in this Issue.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/Issue Period.

***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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears on the website of the SEBI;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue;

8. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than RIBs bidding using the UPI Mechanism);

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 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;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

22. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

23. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;

24. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

25. Ensure that PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021;

26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

27. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of SEBI is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account;

8. 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 a Bidder;

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the GIR number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

16. 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;

17. 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);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit a Bid using UPI ID, if you are not a RIB;

20. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;

21. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category;

22. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Issue Closing Date;

23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Issue Closing Date;

25. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are RIB and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

26. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

27. Do not Bid if you are an OCB;

28. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

29. Do not submit the Bid cum Application Forms to any non-SCSB bank;

30. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism); and

31. If you are in the United States, then do not Bid unless you are a U.S. QIB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Chief Compliance Officer. For details of the Company Secretary and Chief Compliance Officer, see "*General Information*" beginning on page 95.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on pages 96.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of Equity Shares in the Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors and Underwriters: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Syndicate intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue, which will be executed after the determination of the Issue Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC.

(b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue 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 shall be taken in consultation with the BRLMs within such period as may be prescribed under applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- Except for the Pre-IPO Placement and the Equity Shares that may be allotted pursuant to the exercise of vested employee stock options granted under the ESOP Plan 2020, no further issue 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 unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
- Our Company and the BRLMs, reserve the right not to proceed with the Issue, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the [●] editions of [●], an English national daily newspaper, [●] and editions of [●] a Hindi national daily newspaper, and [●] editions of [●], an Marathi daily newspaper Marathi also being the regional language of Mumbai, where our Registered and Corporate Office is located, 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 Issue

Utilisation of Issue Proceeds

Our Board certifies that:

- all monies received from the 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 from the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilized monies from the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. 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 RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**Consolidated FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. The Consolidated FDI Policy provides that 100% FDI under automatic route is permitted in the marketplace model of e-commerce, while FDI is not permitted in the inventory based model of e-commerce.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. 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 until the commencement of the listing of equity shares of our Company pursuant to the initial public offering of the equity shares of our Company. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, in so far as such conflict or inconsistency relates to any right or obligation of the holders of the securities, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All articles of 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 recognized stock exchange in India pursuant to the initial public offering of the equity shares of our Company and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

Article 6 provides that the authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Lien

Article 26 provides that the Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that Article 26 will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of Article 26.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Article 27 provides that the Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

Article 28 provides that Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen (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 to the person entitled thereto by reason of his death or insolvency.

No Member 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.

Calls on Shares

Article 34 provides that the Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board.

Article 35 provides that each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

Article 36 provides that 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 such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

Article 37 provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 38 provides that if a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, then the Member shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in Article 38 shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 39 provides that any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Article 40 provides that in case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 41(a) provides that the Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him. Article 41(b) provides that upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum or at such other rate prescribed under applicable law, as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

Transfer of Shares

Article 58 provides that the Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

Article 60(a) provides that instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996, as amended, shall apply.

Article 60(b) provides that the Board may decline to recognize any instrument of transfer unless: (i) the instrument of transfer is in the form prescribed under the Act; (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (iii) the instrument of transfer is in respect of only one class of shares. Article 60(c) provides that no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Article 61 provides that every such instrument of transfer shall be executed, by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

Transmission of Shares

Article 67 provides that subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, 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 as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article 67, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Article 68 provides that a person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Alteration of Capital

Article 72 provides that the Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person 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 the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

Article 73 provides that the Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Article 74 provides that where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose; (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"Member" shall include "stock" and "stock-holder" respectively.

Article 75 provides that the Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act: (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any share premium account; and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (ii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Capitalisation of Profits

Article 148(a) provides that the Company in General Meeting, may, on recommendation of the Board resolve: (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and (ii) that such sum be accordingly set free for distribution in the manner specified in Article 148(b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

Article 148(b) provides that the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 148(c), either in or towards: (i) paying up any amounts for the time being unpaid on shares held by such Members respectively; (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly that specified in sub-clause (ii); (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to

Members of the Company as fully paid bonus shares; (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

General Meetings

Article 78 provides that (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year; (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Article 79 provides that all General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Article 80 provides that the Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Article 81provides that all General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in writing or through electronic mode, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and shall contain a statement of the business proposed to be transacted at such a meeting. Notice of every meeting shall be given to all the Members, legal representative of any deceased member or the assignee of an insolvent member, the auditor or auditors of the company; and every director of the company. Any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings. The Members may participate in General Meetings through such modes as permitted by applicable laws.

Article 82 provides that upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty-one (21) days. Provided however that, a general meeting may be held at shorter notice, by giving a notice (in written or through electronic mode) of at least 48 (forty eight) hours in accordance with applicable law to the Shareholders and the convening of such general meeting at shorter notice having been agreed to by (a) 95% of the Shareholders entitled to vote, in case of an Annual General Meeting; and (b) majority in number of Shareholders entitled to vote and who represent not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, in case of any other general meeting.

Article 85 (a) provides that no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as prescribed under the provisions of the Act

Board of Directors

Article 102 provides that unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The following shall be the first Directors of the Company

(a) Mrs. Namita Rungta; and

(b) Mr. Nimesh Rungta.

Article 102A provides:

(a) So long as any of Prosus, Temasek and TPG ("**Selected Investors**"), either individually or together with any of its Affiliates, (i) holds at least 5% (Five per cent) of the total issued and paid-up equity share capital of the Company (excluding ESOPs that are yet to be exercised) ("**Selected Investor Director Threshold**"), each such Selected Investor shall be entitled to nominate 1 (One) Director to the Board ("**Selected Investor Director**"). The Selected Investor Director shall be liable to retire by rotation in accordance with Applicable Law, subject to reappointment and any such retirement shall be without prejudice to the right of the Selected Investors to nominate the Selected Investor Director for so long as it holds the Selected Investor Director Threshold. The Selected Investors shall be entitled to nominate an alternate director for the Selected Investor Director. The Selected Investors shall have the right to nominate a replacement for the Selected Investors Director, at any time and without cause. For the avoidance of doubt, each of the Selected Investor shall cease to have the right to appoint its Selected Investor Director once its shareholding falls below the Selected Investor Director Threshold, notwithstanding that its shareholding subsequently increases to or beyond the Selected Investor Director Threshold, provided however that the Selected Investor Director at the time the shareholding of the Selected Investor falls below the Selected Investor Director Threshold shall be entitled to continue in his position until the expiry of his term.

(b) So long as at least 3 (Three) Founders continue to remain in full time employment of the Company, the Founders collectively shall be entitled to nominate not more than 3 (Three) Directors to the Board of the Company ("Founder Directors") from among the Founders. In the event the number of Founders who are in full time employment of the Company falls below 3 (Three), the remaining Founders shall have the right to nominate such Directors from among the remaining Founders, which is proportionate to the number of remaining Founders. For instance, if there are two remaining Founders, they shall collectively be entitled to nominate not more than 2 (Two) Directors from among the two such remaining Founders to the Board and if there is 1 (One) remaining Founder, such remaining Founder shall be entitled to nominate itself to the Board.

(c) If none of the Founders continue to remain in the full time employment of the Company, so long as the Founders, together with their respective Affiliates, jointly hold at least 5% (Five per cent) of the total issued and paid-up share capital of the Company (excluding ESOPs that are yet to be exercised) ("Founder Directors Threshold"), such Founders shall collectively be entitled to nominate not more than 1 (One) Director ("Founder Director") from among the Founders, to the Board of the Company. For the avoidance of doubt, for the purposes of this sub-article 102A (c), the Founders shall cease to have the right to appoint the Founder Director once the joint shareholding of the Founders falls below the Founder Director Threshold, notwithstanding that their joint shareholding subsequently increases to or beyond the Founder Director Threshold, provided however that the Founder Director at the time the joint shareholding of the Founders falls below the Founder Director Threshold, shall be entitled to continue in his position until the expiry of his term.

(d) For the purposes of Articles 102A(b) and 102A(c), it is clarified that the Founder Directors shall be entitled to nominate alternate directors for the Founder Directors.

(e) Further, such rights of nomination of Director(s) shall not supersede the requirement of the composition of the Board being in compliance with Applicable Law and shall be subject to receipt of necessary regulatory approvals, if applicable. In addition, the rights of the the Selected Investors and the Founders in this regard shall be subject to the receipt of shareholders' approval by way of special resolution, in the first general meeting of the Company held after successful listing and trading pursuant to completion of the IPO.

For the purposes of this Article 102A, the term "Affiliate" shall mean:

"Affiliate" in relation to a Person, other than Temasek:

(i) being a person other than a natural person, means any entity or person, which controls, is controlled by, or is under the common control with such person;

(ii) being a natural person, means the Relatives (the term "Relative" would have the meaning as ascribed to it under the Act) of such person, and any person which is controlled by such natural person; and

(iii) being an investor, and without prejudice to the generality of the foregoing, includes its general partners, limited partners and any fund or investment vehicle owned, managed, advised, controlled or promoted by such investor, or by its affiliates or investment managers or advisors,

Without limiting the generality of the foregoing, the term "Affiliate", in relation to the Founders, shall also include, without limitation a trust for which any of the Founders is a settlor or a beneficiary.

(i) Temasek Holdings (Private) Limited ("Temasek Holdings"); and

(ii) Temasek Holding's wholly-owned subsidiaries whose boards of directors or equivalent governing bodies comprise employees or nominees of (a) Temasek Holdings; (b) Temasek Pte. Ltd. (being a wholly-owned subsidiary of Temasek Holdings); and/or (c) wholly-owned subsidiaries of Temasek Pte. Ltd.

Without limiting the generality of the foregoing, the term "Affiliate", in relation to TPG, shall also include, without limitation:

(i) each fund, collective investment scheme, trust, partnership (including any co-investment partnership), investment vehicle or other entity managed, advised or Controlled by TPG Group Holdings (SBS) Advisors, Inc. or any of its Affiliates ("TPG Funds");

(ii) any general partner, manager or investment adviser of, or to, a TPG Fund (as long as such general partner, manager or investment adviser is also controlled by TPG Group Holdings (SBS) Advisors, Inc.);

(iii) any body corporate controlled by any TPG Fund; and / or

(iv) any limited partner of, or investor in, any TPG Fund.

Article 103 provides that subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Article 104(a) provides that the Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in Article 104 called the "Original Director").

Article 104(b) provides that an alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 104(c) provides that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act.

Article 106(a) provides that a Director (other than a managing Director or whole-time 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 of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

Article 106(b) provides that the Board of Directors may allow and pay or reimburse any Director compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

Article 106(c) provides that managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

Proceedings of the Board

Article 116(a) provides that the meeting of the Board of Directors shall take place in accordance with applicable law, including the Act.

Article 116(b) provides that the Chairperson may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice by giving a prior notice of at least 24 (twenty four) hours in accordance with applicable law to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any. .

Article 116(c) provides that the notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

Article 116(d) provides that to the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Article 117 provides that questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairperson, in his absence the Vice Chairperson or the Director presiding shall have a second or casting vote.

Article 118 provides that subject to the provisions of the Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum. At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director within the meaning as prescribed under the provisions of the Act.

Article 120(a) provides that the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.

Article 120(b) provides that if no such Chairperson is elected or at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairperson of the meeting.

Article 122(a) provides that the Company shall constitute such Committees as may be required under the provisions of the Act, the SEBI Listing Regulations and other applicable law.

Article 122 (b) provides that the Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

Article 122 (c) provides that any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

Article 123(a) provides that a committee may elect a Chairperson of its meeting. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the Chairperson of the committee meeting.

Article 123(b) provides that the quorum of a committee shall as per the provisions of the Act or the SEBI Listing Regulations and if the same is not defined thereunder, than it may be fixed by the Board of Directors.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Article 133(a) provides that subject to the provisions of the Companies Act, a chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

Article 133 (b) provides that subject to the provisions of the Companies Act, a director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Article 133(c) provides that subject to the provisions of the Companies Act, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

Article 133(d) provides that subject to the provisions of the Companies Act, a provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Dividend

Article 136 provides that the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Article 137 provides that subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

Article 138 provides that (a) where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits; (b) where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of API Holdings Limited"; (c) the Company shall, within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account of the Company, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed; (d) any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer along with interest accrued, if any, thereon, shall be transferred by the Company to the fund known as Investor Education and Protection Fund ("Fund") established under the provision of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such transfer; (e) no unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law; and (f) all other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Article 139 provides that subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

Article 140 provides that all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

Article 141(a) provides that the Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

Article 141(b) provides that the Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

Article 142 provides that subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

Article 143 provides that the Board may retain dividends payable upon shares in respect of which any person is, under Articles 58 to 71 of the Articles, entitled to become a Member, until such person shall become a Member in respect of such shares.

Article 144 provides that any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

Article 145 provides that any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Article 146 provides that no dividends shall bear interest against the Company.

Article 147 provides that subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Winding up

Article 157(a) provides that subject to the applicable provisions of the Act, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

Article 157(b) provides that subject to the applicable provisions of the Act, for the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

Article 157(c) provides that subject to the applicable provisions of the Act, the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Article 159 provides that subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil, criminal or arbitration, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal or any awards is granted to him by the arbitrator. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the gross negligence, wilful misconduct or bad faith acts or omissions of such Director.

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 this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available at the website of our Company from date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated November 8, 2021 between our Company and the BRLMs.
2. Registrar Agreement dated November 2, 2021 among our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Bankers to the Issue.
4. Syndicate Agreement dated [●] among our Company, the BRLMs, the Syndicate Members, and the Registrar to the Issue.
5. Underwriting Agreement dated [●] among our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

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 31, 2019 issued to our Company under the name API Holdings Private Limited by the Registrar of Companies.
3. Certificate of incorporation dated October 28, 2021 issued by the RoC, consequent upon change of our name to "API Holdings Limited", pursuant to conversion to a public limited company.
4. Resolution of our Board dated October 13, 2021, authorising the Issue and other related matters.
5. Shareholders' resolution dated October 13, 2021, authorising the Issue and other related matters.
6. Resolution of our Board dated October 28, 2021 and resolution of the IPO Committee dated November 8, 2021, approving this Draft Red Herring Prospectus.
7. Employment agreement dated September 9, 2021 entered into between our Company and Siddharth Shah, our Co-founder, Managing Director and Chief Executive Officer.
8. Employment agreement dated September 9, 2021 entered into between our Company and Dharmil Sheth, our Co-founder and Whole-time Director.
9. Employment agreement dated September 9, 2021 entered into between our Company and Harsh Parekh, our Co-founder and Whole-time Director.
10. Employment agreement dated September 9, 2021 entered into between our Company and Hardik Dedhia, our Co-founder
11. Employment agreement dated September 9, 2021 entered into between our Company and Dhaval Shah, our Co-founder
12. Shareholders' agreement dated September 27, 2021 entered into by and amongst our Company, Siddharth Shah, Harsh Parekh, Hardik Dedhia, Dharmil Sheth, Dhaval Shah, Dr. Bhaskar Prataprai Shah, Jasmine Bhaskar Shah, Arpi Siddharth Shah, Priyanka Bhaskar Shah, Evermed Holdings Pte. Ltd., B Capital Asia II, Ltd, B Capital Asia III LLC, Bessemer India Capital Holdings II Ltd., Shivanand S. Mankekar Jt. Laxmi Shivanand Mankekar Jt. Kedar Shivanand Mankekar, Laxmi S. Mankekar Jt. Shivanand Shankar Mankekar Jt. Kedar

Shivanand Mankekar, Shivanand Shankar Mankekar HUF, through its Karta, Mr. Shivanand S. Mankekar, Kedar Shivanand Mankekar Jt. Shivanand Shankar Mankekar, Eight Roads Ventures India III LP, F-Prime Capital Partners Healthcare Fund V LP, TIMF Holdings, Think Investments PCC, the Fundamentum Partnership Fund I, acting through its investment manager Mr. Sanjeev Aggarwal, KB Global Platform Fund Limited Partnership, acting through its General Partner, KB Investment Co., Ltd., CDPQ Private Equity Asia Pte. Ltd, J. M. Financial and Investment Consultancy Services Private Limited, JM Financial Products Limited, Orios Venture Partners Fund – I, acting through its investment manager Orios Advisors LLP, Orios Select Fund I, acting through its investment manager Orios Advisors LLP, ORIOS FUND IIIa, a scheme of Orios Venture Partners Fund III, represented by its trustee Vistra ITCL (India) Limited and acting through its investment manager, Orios Advisors LLP, Orios Advisors LLP, Astarc Ventures Private Trust, Trifecta Venture Debt Fund – I, acting through its investment manager, Trifecta Capital VDF Management LLP, Trifecta Leaders Fund – I, Lightrock Growth Fund I S.A., SICAV-RAIF and acting on behalf of and for the account of the Lightrock Global Fund by its alternative investment fund manager LGT Capital Partners (Ireland) Limited, MacRitchie Investments Pte. Ltd., TPG Growth V SF Markets Pte. Ltd, Naspers Ventures B.V., Internet Fund VI Pte. Ltd., Ronak Kishor Morbia, Ramesh Jethalal Morbia, Kishor Jethalal Morbia, Kavita Kishor Morbia, Pradeep Vishanji Chheda, Dhanlaxmi Ramesh Morbia, Jayshree Pradip Morbia, Pradip Jethalal Morbia, Rashi Kishor Morbia, Ravi Pradip Morbia, Rinkle Apurva Ambavi, Twinkle Ramesh Morbia, Ramakant Sharma, Anuj Srivastava, Bina Jhaveri, Manju Singh, Siddharth Bagadia, Siddharth Bagadia, Rishabh Bagadia and Rekha Bagadia (in their capacity as a heir / successor of Late Mr. Bharatbhai J. Bagadia), Siddharth Kothari, Rita Vasudevan, Jisal Shah, Mahesh Shah, Dhaval Mehta, Bhavini Gala, Manish Sheth, Prasid Uno Family Trust, Shobha Agrawal, M/s. Siddhant Partners, Tulip Lab Private Limited, Elizabeth Mathew, Shalibhadra Navinchandra Shah, Navinchandra Bhogilal Shah, Deepika Navinchandra Shah, Saroj Mahesh Shah, Chetan Gopaldas Cholera, Aditya Puri, Deepak Vaidya, Chaitanya Vaidya, Dr. A Velumani, Kotak Pre-IPO Opportunities Fund and acting through its investment manager Kotak Investment Advisors Limited, Daksha Alpesh Sheth, Logx Ventures Partners LLP, Govinda Rajan Mehta, Harsh Vardhan Khandelwal, Suresh Ramchand Mandhyan, Kruti Bhavin Sheth, Shekhar Suresh Agrawal, Jaydeep Dahyalal Tank, Jaydeep Dahyalal Tank HUF, Parikshit Dahayalal Tank, Rajesh Harilal Chauhan, Ashok Mohanlal Shah, Harshit Ashok Shah, Jawaharlal Mohanlal Shah, Pushpa Jawaharlal Shah, Sanket Sharad Mehta, Kunal Dilip Jhaveri, Reena Jatin Solanki, Sejal Bhavin Gandhi, Satvik Utkarsh Mehta, Sameer Lalitchandra Parekh, Utkarsh Vasantkumar Mehta, Beetle Ventures Private Limited, Zarina Yar Khan, Mayank Kapoor, Shaunak Joshi, Varun Vohra, Amaara Partners, RISA Partners, Steadview Capital Mauritius Limited, Amansa Investments Ltd., ApaH Opportunity Fund I, Sarv Investments Limited, Janus Henderson Global Research Fund, Janus Henderson Emerging Markets Fund, Janus Henderson Investment Fund Series I – Janus Henderson Emerging Markets Opportunities Fund, Janus Henderson Global Research Portfolio, Janus Henderson Fund – Janus Henderson Emerging Markets Fund, Neuberger Berman Emerging Markets Equity Fund, Neuberger Berman Emerging Markets Equity Master Fund L.P., Orbimed Genesis FDI Ltd., Orbimed New Horizons FDI Ltd., Worldwide Healthcare Trust Plc, Ananth Sankaranarayanan Family Trust, Ananth Sankaranarayanan, Dream Incubator Inc., Times Internet Limited, Matrix Partners India Investment Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Ivy Icon Solutions LLP, Sudhir Singh, Anup Singh, Mahender Singh and Beta Oryx Limited.

13. Scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company.

14. Scheme of amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company.

15. Scheme of amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, Arzt and Health Private Limited and their respective shareholders with Threpsi Solutions Private Limited.

16. Scheme of amalgamation of Muthu Pharma Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited, Shell Pharmaceuticals Private Limited and their respective shareholders with Ascent Wellness and Pharma Solutions Private Limited.

17. Securities Purchase agreement dated December 16, 2020 entered into by and amongst our Company, Medlife International Private Limited, Ananth Sankaranarayanan, Prasid Uno Family Trust, Ananth Sankaranarayanan Family Trust, Matrix Partners India Investments Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Times Internet Limited, Dream Incubator Inc read with the amendment agreement dated December 30, 2020.

18. Shareholders' Agreement dated August 19, 2021 entered into by and amongst our Company, Akna Medical Private Limited, Vikram Kumaraswamy, Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Lightrock Growth

Fund I S.A., SICAV – RAIF read with the share subscription and share purchase agreement dated August 19, 2021 by and amongst our Company, Akna Medical Private Limited, Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra.

19. Share purchase agreement dated August 19, 2021 entered into by and amongst our Company, Akna Medical Private Limited, Apurva Bhupendra Shah (HUF), Hiten Pravin Shah, Telama Investment, Chitra Mittal, Deepti Talra and Rohit Razdan.

20. Shareholders' agreement dated October 12, 2021 entered into by and amongst our Company, Marg ERP Limited, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi and Roxy Kanwar.

21. Share purchase agreement dated October 12, 2021, entered into by and amongst our Company, Marg ERP Limited, Anup Singh, Mahender Singh and Sudhir Singh.

22. Share subscription agreement dated October 12, 2021 entered into by and amongst our Company, Anup Singh, Mahender Singh, and Sudhir Singh.

23. Agreement to Sell dated October 7, 2021 entered into by and amongst our Company, Lightrock Growth Fund I S.A., SICAV – RAIF and Akna Medical Private Limited.

24. Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Akna Medical Private Limited.

25. Side letter dated August 19, 2021 entered into by and amongst out Company and Mahadevan Narayamoni and Saurabh Pandey;

26. Agreement to sell dated October 12, 2021 entered into by and amongst our Company, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi, Roxy Kanwar and Marg ERP Limited.

27. Share subscription agreement dated August 19, 2021 entered into by and amongst our Company, Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra.

28. Amended and restated licensing and services agreement dated July 29, 2021 entered into by and between Threpsi Solutions Private Limited and Axelia Solutions Private Limited.

29. Logistics Service Agreement dated September 9, 2021 between Axelia Solutions Private Limited and our Company.

30. Brand usage agreement dated September 20, 2021 entered into by and amongst Threpsi Solutions Private Limited and our Company.

31. Service listing agreement dated October 26, 2021 entered into by and amongst Axelia Solutions Private Limited and our Company;

32. Vendor agreement dated June 10, 2021 entered into by and amongst Axelia Solutions Private Limited and Docon Technologies Private Limited read with the amendment agreement dated October 20, 2021;

33. Service agreement dated October 20, 2021 entered into by and amongst Axelia Solutions Private Limited and Docon Technologies Private Limited;

34. Healthcare Service agreement dated July 29, 2021 entered into by and amongst Axelia Solutions Private Limited and Thyrocare Technologies Limited;

35. Shareholders' Agreement dated July 29, 2021 entered into by and amongst our Company, JM Financial Products Limited, Mathew Cyriac, Krushang Boria, Himanshu and Aarman Solutions Private Limited read with the share subscription agreement dated July 29, 2021.

36. Copies of the audited financial statements along with the auditor report and directors' report of our Company for Fiscals 2021 and 2020.

37. The examination report dated October 28, 2021 of the Statutory Auditors on our Restated Consolidated Financial Information and report dated October 28, 2021 of the Statutory Auditors on our Pro Forma Consolidated Financial Information.

38. The report dated November 8, 2021 on the statement of possible special tax benefits from Saini Pati Shah & Co LLP, Chartered Accountants.

39. Consent letters of the Directors, the BRLMs, the Syndicate Members, domestic legal counsel to our Company as to Indian Law, international legal counsel to our Company, domestic legal counsel to the BRLMs as to Indian Law, international legal counsel to the BRLMs, special legal counsel to our Company, Registrar to the Issue, RedSeer, Escrow Collection Bank(s), Public Issue Account Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Chief Compliance Officer, to act in their respective capacities.

40. Our Company has received written consent dated November 8, 2021 from Price Waterhouse Chartered Accountants LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an "expert" as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated October 28, 2021 on our Restated Consolidated Financial Information and their report dated October 28, 2021 on the Pro Forma Consolidated Financial Information.

41. Consents from MSKA and Associates, Chartered Accountants and B S R & Co. LLP, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations and as "experts" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Thyrocare, and in respect of their audit reports, dated October 27, 2021 and May 8, 2021 on the Thyrocare Historical Financial Statements.

42. Consents from B S R & Co. LLP, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations and as "experts" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Ascent, and in respect of their audit report, dated October 31, 2021 on the Ascent Historical Financial Statements.

43. Consent dated November 2, 2021, from A.R. Sodha & Co, Chartered Accountants, in their capacity as predecessor auditors of our Company.

44. Consent from Saini Pati Shah & Co LLP, Chartered Accountants, to include their name as an "expert" in relation to their certificate dated November 8, 2021 on the statement of special tax benefits available to (i) our Company and Shareholders; and (ii) our Material Subsidiaries, included in this Draft Red Herring Prospectus.

45. Report titled "Report on the Healthtech market in India" dated November 7, 2021 prepared and issued by RedSeer.

46. Engagement letter of RedSeer dated June 1, 2021.

47. Due diligence certificate dated November 8, 2021, addressed to SEBI from the BRLMs.

48. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

49. SEBI observation letter bearing reference number [●] and dated [●].

50. Tripartite agreement dated August 21, 2020 among our Company, NSDL and the Registrar to the Issue.

51. Tripartite agreement dated July 6, 2020 among our Company, CDSL and the Registrar to the Issue.

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 notice to the Shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant laws.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Siddharth Shah *Co-founder, Managing Director and Chief Executive Officer* DIN: 05186193 Place: Mumbai	
Aditya Puri *Chairman and Non-Executive Director* DIN: 00062650 Place: Mumbai	
Harsh Parekh *Co-founder and Whole-time Director* DIN: 06661731 Place: Mumbai	
Dharmil Sheth *Co-Founder and Whole-time Director* DIN: 06999772 Place: Mumbai	
Ashutosh Sharma *Non-Executive Director* DIN: 07825610 Place: Bengaluru	
Ankur Thadani *Non-Executive Director* DIN: 03566737 Place: Mumbai	
Deepak Vaidya *Independent Director* DIN: 00337276 Place: Mumbai	
Vineeta Rai *Independent Director* DIN: 07013113 Place: Delhi	
Subramaniam Somasundaram *Independent Director* DIN: 01494407 Place: Bengaluru	
Ramakant Sharma *Independent Director* DIN: 02318054 Place: Bengaluru	
Jaydeep Tank *Independent Director* DIN: 05014753 Place: Mumbai	

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Chebolu Venkata Ramana Ram
(*Chief Financial Officer*)
(*Place: Mumbai*)

Date: November 8, 2021

Place: As disclosed above