KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED

Our Company was incorporated as 'Jagjit Singh and Sons Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra on July 26, 1973 at Mumbai. Our Company changed the location of its registered office from the State of Maharashtra to the erstwhile State of Andhra Pradesh, pursuant to an order dated January 29, 2003 by the Company Law Board, Western Region Bench, Mumbai (**"Order"**) and the registration of the Order vide certificate of registration dated February 21, 2003 by the Registrar of Companies, Andhra Pradesh and Telangana (then the Registrar of Companies, Andhra Pradesh) (**"RoC"**). Subsequently, the name of our Company was changed to 'Krishna Institute of Medical Sciences Private Limited', pursuant to a letter of approval from the Central Government dated January 2, 2004 and a fresh certificate of incorporation issued by the RoC on January 2, 2004. Further, pursuant to the conversion of our Company to a public limited company, our name was changed to 'Krishna Institute of Medical Sciences Limited' and the RoC issued a fresh certificate of incorporation on January 29, 2004. For further details, see "*History and Certain Corporate Matters*" on page 148.

Registered and Corporate Office: D. No. 1-8-31/1, Minister's Road, Secunderabad – 3, Telangana 500 003, India; **Telephone**: +91 40 4418 6000; **Facsimile**: +91 40 2784 0980
Contact Person: Uma Shankar Mantha, Company Secretary and Compliance Officer; **Telephone**: + 91 40 4418 6433; **Facsimile**: +91 40 2784 0980
E-mail: cs@kimshospitals.com; **Website**: www.kimshospitals.com; **Corporate Identity Number:** U55101TG1973PLC040558

PROMOTERS OF OUR COMPANY: DR. BHASKAR RAO BOLLINENI, KRISHNAIAH BOLLINENI, SEENAIAH BOLLINENI, DR. ABHINAY BOLLINENI AND BOLLINENI RAMANAIAH MEMORIAL HOSPITALS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 500 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 18,754,037 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE SELLING SHAREHOLDERS, COMPRISING AN OFFER FOR SALE OF UP TO 13,772,631 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY INDIA ADVANTAGE FUND - S3 I, AN OFFER FOR SALE OF UP TO 1,268,534 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY EMERGING INDIA FUND, AN OFFER FOR SALE OF UP TO 1,520,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. BHASKAR RAO BOLLINENI, AN OFFER FOR SALE OF UP TO 1,050,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RAJYASRI BOLLINENI, AN OFFER FOR SALE OF UP TO 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SEENAIAH BOLLINENI, AN OFFER FOR SALE OF UP TO 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. RAJENDRA KUMAR PREMCHAND, AN OFFER FOR SALE OF UP TO 242,872 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SITARAM PRASAD GOGINENI, AN OFFER FOR SALE OF UP TO 160,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. MANAS KUMAR PANIGRAHI, AN OFFER FOR SALE OF UP TO 60,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY JAYANTHI GAVINI, AN OFFER FOR SALE OF UP TO 40,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GAVINI SATYANARAYANA, AN OFFER FOR SALE OF UP TO 20,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. PYAR ALI JIWANI AND AN OFFER FOR SALE OF UP TO 20,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DR. GARIPALLI RAVIKANTH (TOGETHER, THE "SELLING SHAREHOLDERS") (COLLECTIVELY, THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ` [●] MILLION FOR ELIGIBLE EMPLOYEES (DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.
THE PRICE BAND, MINIMUM BID LOT SIZE AND EMPLOYEE DISCOUNT (IF ANY) WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI DAILY NEWSPAPER AND [●] EDITIONS OF [●], A TELUGU DAILY NEWSPAPER (TELUGU BEING THE REGIONAL LANGUAGE IN THE STATE WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.*

A discount of ₹ [●] to the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount"**).*

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"). This Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB**s"). Our Company and the Investor Selling Shareholders, 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 at least one-third will 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 Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 406.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value of our Equity Shares. The Offer Price, as determined and justified by our Company and the Investor Selling Shareholders in consultation with the Book Running Lead Managers in accordance with the SEBI ICDR Regulations and as stated in "*Basis for Offer Price*" on page 101 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 18.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the statements expressly made or confirmed by the Selling Shareholders in this Draft Red Herring Prospectus to the extent of information pertaining to them and their respective portion of the Offered Shares.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 530.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
AXIS CAPITAL	Edelweiss Ideas create, values protect	ICICI Securities	KARVY Computershare
Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India **Telephone:** + 91 22 4325 2183 **Facsimile:** +91 22 4325 3000 **E-mail:** kims.ipo@axiscap.in **Investor grievance E-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Ankit Bhatia **SEBI Registration No.:** INM000012029	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House, Off. CST Road Kalina, Mumbai 400 098 Maharashtra, India **Telephone:** +91 22 4009 4400 **Facsimile:** +91 22 4086 3610 **E-mail:** kims.ipo@edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Nishita John / Jay Mehta **SEBI Registration No.:** INM0000010650	**ICICI Securities Limited**# ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India **Telephone:** +91 22 2288 2460 **Facsimile:** +91 22 2282 6580 **E-mail:** kims.ipo@icicisecurities.com **Investor grievance E-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Rupesh Khant / Shekher Asnani **SEBI Registration No.:** INM000011179	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Hyderabad 500 032, Telangana, India **Telephone**: +91 40 6716 2222 **Facsimile**: +91 40 2343 1551 **Toll Free No.:** 1800 3454 001 **E-mail:** kims.ipo@karvy.com **Investor Grievance E-mail**: einward.ris@karvy.com **Website**: www.karisma.karvy.com **Contact Person**: M. Murali Krishna **SEBI Registration No.:** INR000000221

BID/OFFER PROGRAMME*	
FOR ALL BIDDERS*	**OFFER OPENS ON [●]**
FOR QIBs**	**OFFER CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	**OFFER CLOSES ON [●]**

* *Our Company and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.*
***Our Company and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*
\# *ICICI Venture Funds Management Company Limited (**"I-VEN"**) is the investment manager of IAF and EIF. I-VEN and ICICI Securities Limited are wholly owned subsidiaries of ICICI Bank Limited and hence 'associates' within the meaning of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 (**"SEBI Merchant Bankers Regulations"**). ICICI Securities Limited has signed the due diligence certificate and has been disclosed as a Book Running Lead Manager for the Offer. However, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and the proviso to Regulation 5(3) of the SEBI ICDR Regulations, ICICI Securities Limited would be involved only in the marketing of the Offer.*

TABLE OF CONTENTS

SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended or re-enacted from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to "the Issuer", "the Company", "our Company" are references to Krishna Institute of Medical Sciences Limited and references to "we", "our" or "us" are references to our Company, together with its Subsidiaries and Associate Company.

Company Related Terms

Term	Description
2012 Scheme	Scheme of arrangement between BRMH, BHCL and our Company, as described in "*History and Certain Corporate Matters – Subsidiaries of our Company*" on page 155.
"Articles", "Articles of Association" or "AoA"	The articles of association of our Company, as amended.
"Associate" or "Associate Company"	The associate of our Company in terms of Accounting Standard 23, namely, KIMS Hospital Enterprises Private Limited.
Audit Committee	The audit and risk management committee of our Board, as described in "*Our Management*" on page 162.
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, namely, B S R & Associates LLP.
BHCL	Bollineni Heart Center Limited.
"Board" or "Board of Directors"	The board of directors of our Company, including a duly constituted committee thereof.
"BRMH" or "Corporate Promoter"	Bollineni Ramanaiah Memorial Hospitals Private Limited.
CSR Committee	The corporate social responsibility committee of our Board, as described in "*Our Management*" on page 162.
Director(s)	The director(s) on our Board.
EIF	Emerging India Fund, a trust registered under the Indian Trust Act, 1882 and registered with SEBI as a domestic venture capital fund, represented by its trustee, IDBI, acting through its investment manager I-VEN.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Group Companies	The companies which are covered under the applicable accounting standards and other companies as considered material by our Board, as disclosed in "*Our Group Companies*" on page 186.
"IAF" or "India Advantage Fund"	India Advantage Fund - S3 I, a trust registered under the Indian Trusts Act, 1882 and registered with SEBI as a domestic venture capital fund, represented by its trustee, IDBI, acting through its investment manager I-VEN.
IDBI	IDBI Trusteeship Services Limited, a company registered under the provisions of the Companies Act, 1956, and having its registered office at Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, India.
Investor Selling Shareholders	IAF and EIF
I-VEN	ICICI Venture Funds Management Company Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
I-VEN Affiliates	Any funds exclusively managed by I-VEN and registered with SEBI, being venture capital funds, alternative investment funds or other collective investment schemes, which have been formed by pooling of funds.
IPO Committee	The committee constituted by our Board for the Offer, as described in "*Our Management*" on page 162.
Key Management Personnel	Key management personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 and as disclosed in "*Our Management*" on page 162.
KFRC	KIMS Foundation and Research Center Trust
KIMS Cuddles	Single specialty woman and child division, being operated at Kondapur, Hyderabad, by our Associate Company.
KIMS Kondapur	Multi-specialty hospital, being operated at Kondapur, Hyderabad, by our Associate Company.

Term	Description
KIMS Nellore	Multi-specialty hospital, being operated at Nellore by our Company.
KIMS Ongole	Multi-specialty hospital, being operated at Ongole by our Company.
KIMS Rajahmundry	Multi-specialty hospital, being operated at Rajahmundry by our Company.
KIMS Secunderabad	Multi-specialty hospital, being operated at Secunderabad by our Company.
KIMS Srikakulam	Multi-specialty hospital, being operated at Srikakulam by our Subsidiary, Arunodaya Hospitals Private Limited.
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "*Our Management*" on page 162.
OAHPL	Ongole Arogya Hospitals Private Limited.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 180.
Promoters	The promoters of our Company, being Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni, Seenaiah Bollineni, Dr. Abhinay Bollineni and BRMH.
Promoter Selling Shareholders	Seenaiah Bollineni and Dr. Bhaskar Rao Bollineni.
Purchase Committee	The purchase committee, with certain of our management personnel as members.
Registered and Corporate Office	The registered and corporate office of our Company located at D. No. 1-8-31/1, Minister's Road, Secunderabad – 3, Telangana 500 003, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad.
Restated Consolidated Financial Statements	The audited consolidated financial statements of our Company as of and for the Fiscal Years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and the six months ended September 30, 2017 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements.
Restated Standalone Financial Statements	The audited standalone financial statements of our Company as of and for the Fiscal Years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and the six months ended September 30, 2017, and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act, and restated in accordance with the SEBI ICDR Regulations.
Selling Shareholders	Collectively, IAF, EIF, Dr. Bhaskar Rao Bollineni, Rajyasri Bollineni, Seenaiah Bollineni, Dr. Rajendra Kumar Premchand, Dr. Pyar Ali Jiwani, Dr. Garipalli Ravikanth, Sitaram Prasad Gogini, Dr. Manas Kumar Panigrahi, Gavini Satyanarayana and Jayanthi Gavini.
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management*" on page 162.
Subsidiaries	The subsidiaries of our Company as set out in "*History and Certain Corporate Matters – Subsidiaries of our Company*" on page 155.
Takeover MoU	Memorandum of understanding and agreement of takeover dated August 22, 2002 amongst Jagjit Singh, Vimla Swanni, Ajit Singh, Rajinder Swanni, Kamal Nain Swanni, Jibani Singh, Gurbani Singh and Gurmeher Singh; and Dr. Bhaskar Rao Bollineni, Dr. Sambasiva Rao Maveni, Dr. S. Sahariah and Dr. A.V. Gurava Reddy, as described in "*History and Certain Corporate Matters*" on page 148.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid / Bid cum Application Form.
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders.
Allotment Advice	Advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in

Term	Description
	accordance with SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs.
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice but not later than two Working Days after the Bid Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Investor Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
"ASBA" or "Application Supported by Blocked Amount"	The application, whether physical or electronic, used by an ASBA Bidder to make a Bid authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any Bidder in the Offer except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Axis	Axis Capital Limited.
Banker(s) to the Offer	Escrow Collection Banks(s), Refund Bank(s) and Public Offer Account Bank.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, which is described in "*Offer Procedure*" on page 406.
Bid(s)	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, as permissible under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account, as the case may be, upon submission of the Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor. For Eligible Employees Bidding in the Employee Reservation Portion, the Bid Amount will be net of the Employee Discount, if any.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches of SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.

Term	Description
Bid Lot	[●] Equity Shares.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] edition of [●], an English daily newspaper, [●] edition of [●], a Hindi daily newspaper and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members. Our Company and the Investor Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate Members.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, being Axis Capital Limited, Edelweiss Financial Services Limited and ICICI Securities Limited*. **I-VEN is the investment manager of IAF and EIF. I-VEN and ICICI Securitites Limited are wholly owned subsidiaries of ICICI Bank Limited and hence 'associates' within the meaning of the SEBI Merchant Bankers Regulations. ICICI Securities Limited has signed the due diligence certificate and has been disclosed as a Book Running Lead Manager for the Offer. However, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and the proviso to Regulation 5(3) of the SEBI ICDR Regulations, ICICI Securities Limited would be involved only in the marketing of the Offer.*
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
"CDP" or "Collecting Depository Participant"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Cut-Off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Investor Selling Shareholders, in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Bidder/Applicant's father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated

Term	Description
	from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (at www.bseindia.com and www.nseindia .com, respectively,) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account, and the SCSBs transfer funds from the ASBA Accounts to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively.
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated December 11, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Edelweiss	Edelweiss Financial Services Limited.
EIF Offered Shares	Up to 1,268,534 Equity Shares being offered for sale by EIF in the Offer.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Eligible Employee	A permanent and full-time employee working in India or abroad of (i) our Company, Subsidiaries or Associate (if eligible), or a Director of our Company, whether whole-time or part-time, as on the date of registration of the Red Herring Prospectus with the RoC, (ii) who is based, working and present in India as on the date of submission of the ASBA Form and who continues to be in such employment until submission of the ASBA Form, but excludes our Promoter and Promoter Group and such other persons not eligible under applicable laws, rules, regulations and guidelines.
Employee Discount	Discount of ₹ [●] to the Offer Price which may be offered to Eligible Employees Bidding in the Employee Reservation Portion, as decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs.
Employee Reservation Portion	Up to [●] Equity Shares aggregating up to ₹ [●] million, available for allocation to Eligible Employees on a proportionate basis.
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS in respect of the Bid Amount while submitting a Bid.
Escrow Agreement	The agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●].
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 500 million by our Company for subscription pursuant to the terms of the Red Herring Prospectus.
"General Information Document" or "GID"	The General Information Document for investing in public issues, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by

Term	Description
	SEBI, suitably modified and updated pursuant to, *inter alia*, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in "*Offer Procedure*" on page 406.
IAF Offered Shares	Up to 13,772,631 Equity Shares being offered for sale by IAF in the Offer.
I-SEC	ICICI Securities Limited.
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Offer	The Offer less the Employee Reservation Portion.
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer related expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
Offer	The initial public offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share, consisting of the Fresh Issue and the Offer for Sale.
Offer Agreement	The agreement dated December 11, 2017 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 18,754,037 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, in terms of the Red Herring Prospectus.
Offer Price	The final price (less any Employee Discount, if applicable) at which Equity Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Offered Shares	Equity Shares being offered for sale by the Selling Shareholders in the Offer.
Offer Proceeds	The proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid lot size, as decided by our Company and the Investor Selling Shareholders, in consultation with the BRLMs will be advertised in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Investor Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.

Term	Description
Public Offer Account Bank	The bank(s) with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●].
"QIBs" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
QIB Portion	The portion of the Offer, being 50% of the Net Offer, which shall be allocated to QIBs (including Anchor Investors).
QIB Bid/Offer Closing Date	In the event our Company and the Investor Selling Shareholders, in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
"Red Herring Prospectus" or "RHP"	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	The agreement dated August 23, 2017, as amended by an amendment agreement dated December 11, 2017, amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
"RTAs" or "Registrar and Share Transfer Agents"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
"Registrar to the Offer" or "Registrar"	Karvy Computershare Private Limited.
Resident Indian	A person resident in India, as defined under FEMA.
"Retail Individual Bidder(s)" or "Retail Individual Investor(s)" or RII(s) or RIB(s)	Bidders (including HUFs applying through their Karta and Eligible NRIs), other than Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations.
Revision Form	Form used by the Bidders (other than QIBs and Non-Institutional Investors) to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.
Share Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, namely Karvy Computershare Private Limited.
Share Escrow Agreement	The agreement dated August 23, 2017, as amended by an amendment agreement dated December 11, 2017, amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the deposit of their respective portions of the Offered Shares and credit of such Equity Shares to the demat account of the Allottees in

Term	Description
	accordance with the Basis of Allotment.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] amongst our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●].
"Syndicate" or "Members of the Syndicate"	The BRLMs and the Syndicate Members.
Underwriters	[●].
Underwriting Agreement	The agreement dated [●] amongst the Underwriters, our Company and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of Prospectus.
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical/ Industry Related Terms or Abbreviations

Term	Description
Aarogyasri Scheme	Rajiv Gandhi Aarogyasri Scheme, as implemented by the Andhra Pradesh Government.
AERB	Atomic Energy Regulatory Board.
AHPI	Association of Healthcare Provides (India).
ALOS	Average length of stay, calculated by dividing total number of occupied bed days by the total number of inpatient admissions.
ARPOB	Average revenue per occupied bed, calculated by dividing revenue from operations at the hospitals by total number of bed occupancy days.
Average Capital Cost Per Bed	(Gross block for fixed assets (tangible, including software) + capital work in progress) / total bed capacity, excluding bed capacity of hospital at Kondapur which is under our Associate, KHEPL.
Contract Labour Act	Contract Labour (Regulation & Abolition) Act, 1970.
DNB	Diplomate of National Board.
DPCO 2013	Drug (Prices Control) Order, 2013
Employees State Insurance Act	Employees State Insurance Act, 1948.
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952.
"F&S" or "Frost & Sullivan"	Frost & Sullivan (India) Private Limited.
F&S Report	Report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017, prepared by Frost & Sullivan.
ISO	Industrial Standards Organisation.
Minimum Wages Act	The Minimum Wages Act, 1948.
MRCP	Membership of the Royal Colleges of Physicians of the United Kingdom.
NABH	National Accreditation Board for Hospitals and Healthcare Providers, India.
NABL	National Accreditation Board for Testing and Calibration Laboratories.
Negotiable Instruments Act	Negotiable Instruments Act, 1881.
NPPA	National Pharmaceutical Pricing Authority.
RSBY	Rashtriya Swasthya Bima Yojna.
TLD	Thermoluminescent Dosimeter.
Workmen's Compensation Act	Workmen's Compensation Act, 1923.

Conventional and General Terms or Abbreviations

Term	Description
₹ or "Rs." or "Rupees" or "INR"	Indian Rupees, the official currency of the Republic of India.
AGM	Annual general meeting.
AIF	Alternative Investment Fund registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
"AS" or "Accounting Standards"	Accounting standards issued by the Institute of Chartered Accountants of India.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Category II FPI	FPIs registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs registered as "Category III foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this DRHP, along with the relevant rules made thereunder.
CSR	Corporate social responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations thereunder.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.
DP ID	Depository Participant's Identification.
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
ERP	Enterprise Resource Planning.
FAQ	Frequently asked question.
FCNR	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
GHMC	Greater Hyderabad Municipal Corporation.
GHMC Act	Greater Hyderabad Municipal Corporation Act, 1955.
"GoI" or "Government" or "Central Government"	Government of India.
GST	Goods and Services Tax.
High Court, Hyderabad	High Court of Judicature at Hyderabad, for the state of Telangana and the state of Andhra Pradesh.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	The Income Tax Act, 1961, read with rules thereunder.
Ind AS	Indian Accounting Standards.
India	Republic of India.
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.

Term	Description
IPO	Initial public offering.
IRDAI	Insurance Regulatory and Development Authority of India.
IST	Indian Standard Time.
IT	Information technology.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic ink character recognition.
Mn or mn	Million.
MoU	Memorandum of Understanding.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.
NACH	National Automated Clearing House.
NCLT	National Company Law Tribunal.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External account.
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
O&M	Operations and management.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit after tax.
PET CT	Positron Emission Tomography – Computed Tomography
RBI	Reserve Bank of India.
RoNW	Return on net worth.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.

Term	Description
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
Stamp Act	The Indian Stamp Act, 1899.
State Government	The government of a state in India.
Stock Exchanges	BSE and NSE.
STT	Securities Transaction Tax.
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
"U.S." or "USA" or "United States"	United States of America.
"USD" or "US$"	United States Dollars.
U.S. Securities Act	U.S. Securities Act, 1933.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations.
"Year" or "Calendar Year"	Unless context otherwise requires, shall refer to the twelve month period ending December 31.

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

Notwithstanding the foregoing, capitalised terms in "*Statement of Tax Benefits*", "*Objects of the Offer*", "*Financial Statements*", "*Basis for Offer Price*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*" "*Outstanding Litigation and Material Developments*" and "*Offer Procedure*" beginning on pages 105, 94, 193, 101, 138, 148, 358, 360 and 406 respectively, shall have the meanings given to such terms in such sections.

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

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

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

Currency and Units of Presentation

All references to "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

(in ₹)

Currency	Exchange rate as on					
	September 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
USD	65.36	64.84	66.33	62.59	60.10	54.39

Source: RBI reference rate at the end of the period (www.rbi.org.in). In case March 31 of any of the respective years is a public holiday, the previous working day has been considered.

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

Financial and Other Data

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

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements, and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with applicable provisions of the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

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

Indian GAAP also differs in certain material respects from Ind AS which will be applicable to our Company and group in the future in accordance with certain guidelines stipulated by the MCA with effect from certain dates specified by various regulatory authorities, including the SEBI. We have not attempted to quantify the impact of IFRS or U.S. GAAP or Ind AS on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP, IFRS or Ind AS. Given that Ind AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind AS relating to any period subsequent to April 1, 2017, may not be comparable to our historical financial statements prepared under Indian GAAP. In the event that any of our historical financial statements, including our financial statements for Fiscal Year 2017 are required to be also prepared in accordance with Ind AS, such historical Ind AS financial statements may vary from our historical India GAAP financial statements, and there can be no assurance that such variation will not be material. See "*Significant differences between Indian GAAP and Ind AS*" and "*Risk Factors - Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.*" on pages 324 and 38.

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

Our hospital situated at Kondapur is operated by our Associate, KHEPL, which is consolidated under the equity method of accounting as per the applicable accounting standards. For details refer to "*Restated Consolidated Financial Statements - Basis of Consolidation*" on page 265. However, operational data included in this DRHP includes such data for all six of our hospitals, including our hospital situated at Kondapur.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified and neither we, nor the Selling Shareholders or the BRLMs, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors"* on page 18.

Additionally, certain industry related information in the sections "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 47, 53, 108, 122, 18 and 327, respectively, has been derived from an industry report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017, prepared by Frost & Sullivan ("**F&S Report**"), an independent research house, pursuant to an engagement with our Company.

The F&S Report is subject to the following disclaimer:

"The market research process for this study has been undertaken thorough secondary / desktop research as well as primary research, which involves discussing the status of the market with leading participants and experts. The research methodology used is the Expert Opinion Methodology. Quantitative market information was sourced from interviews by way of primary research as well as from trusted portals, and therefore, the information is subject to fluctuations due to possible changes in the business and market climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

This study has been prepared for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and offering memorandum of "Krishna Institute of Medical Sciences Limited ("KIMS")" in relation to an initial public offering ("IPO") in connection with its listing on one of the leading stock exchanges ("Listing").

This report and extracts thereof are for use in the draft red herring prospectus, red herring prospectus, prospectus and offering memorandum issued by the Company and all presentation materials (including press releases) prepared by or on behalf of the Company (and reviewed by Frost & Sullivan) in relation to the Listing exercise. The Company is permitted to use the same in internal and external communications as needed in the context of the Listing exercise. If required by any regulatory authority in relation to the Listing, the Company is also permitted to make this report open for inspection from the public from the date of registration of the red herring prospectus with the registrar of companies till the closing of the period of subscription in the IPO. However, no part of the report may be distributed for any other commercial gain to parties not connected with the said Listing exercise.

This report has exclusively been prepared for the consumption of KIMS, and any unauthorised access to or usage of this material by others is forbidden and illegal.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of facilities management, corporate catering, industrial asset management, and human resources solutions industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it will not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise."

For further details, see *"Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which was prepared by Frost & Sullivan, pursuant to an engagement with our Company"* on page 39.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our growth and expansion strategies, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

(i) Our dependence on our doctors, nurses and other healthcare professionals;
(ii) Certain hospital buildings from which we operate do not possess occupancy certificates;
(iii) Our dependence on KIMS Secunderabad and on certain key specialties;
(iv) Our ability to keep abreast with technological changes, new equipment and service introductions;
(v) Our ability to receive payments on time from our payers;
(vi) Our ability to compete effectively with other healthcare services providers;
(vii) Our ability to comply with applicable safety, health, environmental and other governmental regulations;
(viii) Our dependence on a number of key personnel, including our Promoters and senior management;
(ix) Our limited knowledge and records of documents relating to corporate actions prior to 2003; and
(x) Our ability to successfully implement all our growth strategies.

For further discussion on factors that could cause our actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 122 and 327, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, Promoters, Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. If any of the following risks or any of the other risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. These risks and uncertainties are not the only issues that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 122 and 327, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Offer, including the merits and risks involved and consult their tax, financial and legal advisors about particular consequences to them of an investment in the Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 17.

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company, our Subsidiaries and Associate.

Unless otherwise stated, the financial information of our Company used in this section is derived from our Restated Consolidated Financial Statements. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors.

INTERNAL RISK FACTORS

1. ***We are highly dependent on our doctors, nurses and other healthcare professionals and our business and financial results could be harmed if we are not able to attract and retain such doctors, nurses and other healthcare professionals.***

   Our operations depend on the efforts, ability and experience of our employees, including doctors and medical staff at our hospitals. Our performance and the execution of our business strategy depend substantially on our ability to attract and retain leading doctors and other healthcare professionals in a particular specialty or in a region relevant to our growth plans. We compete with other healthcare services providers in recruiting and retaining these doctors and other healthcare professionals.

   Some of the factors that doctors consider important before deciding where they will work include emoluments and incentives, reputation of the healthcare establishment, quality of the facilities, academic and research opportunities and sufficient number of patients and surgeries made available to them. We may not compare favourably with other healthcare service providers on these factors. Many of these healthcare professionals are well-known personalities in their fields and regions with large patient bases and referral networks, and it may be difficult to negotiate favourable terms and arrangements with them. Pursuant to our medical consultancy contracts, we agree to pay our specialist physicians professional fees based on the services provided. There can be no assurance that we will be successful in controlling any upward pressure in the amount of professional fees or salaries (as applicable) paid to our consultants and other healthcare professionals. If we are unable to make payments to these consultants or other healthcare professionals on time, or at all, or if our relationship with them deteriorates, or these doctors receive better opportunities with other healthcare service providers, we may be unable to retain them.

The loss of a significant number of our doctors at the same time, or the inability to attract sufficient number of qualified doctors for new hospitals to be set up by us in the future or for any expansions of our existing hospitals in the future, could adversely affect our business, financial condition, results of operations and prospects. Patients may be drawn to seek our services on account of the reputation of our key doctors and our inability to retain such key doctors at such locations may adversely impact our ability to operate profitably at such locations. As on September 30, 2017, 383 out of a total of 766 of our doctors were engaged on a consultancy basis. Although we have entered into binding agreements with our doctors, we cannot assure you that our doctors will honour the terms of our agreements with them and will not prematurely terminate such agreements. Our failure to retain such key individuals may adversely affect our business, financial condition, results of operations and prospects.

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses. We have experienced and expect to continue to experience significant wage and benefit pressures created by the constant nursing shortage. We may be required to enhance wages and benefits to recruit and retain nurses or increase our use of more expensive temporary personnel in the face of increasing opportunities for our nurses to work overseas.

If we are unable to attract or retain doctors, nurses or other healthcare professionals as required, we may not be able to maintain the quality of our services and we could be forced to admit fewer patients to our hospitals, thereby having a material adverse effect on our business, financial condition and results of operations. We may also be required to incur increased costs to retain and recruit medical personnel and we expect such costs to continue to increase in the future which may have a material adverse effect on our business, financial condition and results of operations.

2. ***Certain hospital buildings from which we operate either do not possess occupancy certificates or are not in compliance with building permits obtained from relevant municipal authorities, including our hospital at Secunderabad which contributes a significant portion of our consolidated revenue. We may be subject to adverse regulatory action and not be able to operate from these facilities in the event the relevant authorities prohibit us from continuing to occupy the buildings, which may materially and adversely affect our business and financial condition.***

We are required to obtain certain building and safety related approvals with respect to the premises wherein our hospitals are located. We have applied for occupancy certificates with respect to four hospitals operated by us, and for regularisation of one of the buildings at KIMS Kondapur, operated by our Associate Company. For the Fiscal Year 2017 and six months ended September 30, 2017, the four hospitals in respect of which applications for grant of occupancy certificates have been made, contributed, in aggregate, 99.30 % and 96.23 % respectively of the total consolidated revenue of our Company. For the six months ended September 30, 2017 and Fiscal Year 2017, KIMS Kondapur generated total revenue of ₹ 422.58 million and ₹ 630.79 million, respectively.

The request for occupancy certificates also includes requests in relation to KIMS Secunderabad which contributed a significant portion of our consolidated revenue, being 72.93 % and 70.45 % of the total consolidated revenue of our Company for the fiscal year 2017 and six month period ended September 30, 2017 respectively and which we consider our flagship hospital. Our Company applied for occupancy certificates for the hospital in 2014. During subsequent correspondence, the GHMC highlighted certain non-compliances by our Company from the sanctioned building plan including portion for road widening, area for parking space and tot lots not being provided as per the sanctioned plan. The office of deputy commissioner, GHMC, also issued a show cause notice to us, highlighting deviations from the approved building permit and indicated potential adverse actions under the GHMC Act such as imposition of fines and vacation from property. Our Company has replied to the show cause notice and is yet to receive any further communication from the GHMC with respect to the show-cause notice. Our application for final occupancy certificate was earlier rejected by GHMC due to certain pending non-compliances. Thereafter, our Company approached the GHMC highlighting the status of compliance with the discrepancies cited by the GHMC for rejecting the application, and further stated that the existing property mortgaged in favour of GHMC may not be released until all conditions stipulated by the GHMC are satisfied. In compliance with the requirements of applicable laws, as a pre-condition for grant of the building sanction, the said mortgage was created over 10 % of the built-up area of our hospital in 2012. Based on our representations, GHMC has considered our request for issue of the final occupancy certificate, subject to the addressal of the subsisting non-compliances and payment of charges of ₹ 29.53 million by our Company towards excess built up area at the hospital. Our Company has deposited the stipulated amount, addressed certain of the non-compliances and has provided an undertaking to the authority that it shall comply with remaining non-compliance. As on the date of this Draft Red Herring Prospectus, our Company has not received the occupancy certificate for KIMS Secunderabad. We cannot assure you that we will be able to address the remaining non-compliance or GHMC will agree with our submission with respect to other non-compliances or that GHMC will not highlight additional non-compliances or will provide the occupancy certificates at all and we will be able to continue our operations at KIMS Secunderabad.

Failure to obtain occupancy certificates from local planning authorities could result in us being unable to occupy or operate out of these buildings. We may be forced to pay penalties or charges, vacate these buildings, portions of these facilities may be disposed of or demolished by the relevant authorities and our senior management may face legal action such as imposition of fine and imprisonment. We may have no effective remedy in the event of such eviction or demolition and may not be able to effectively re-locate our operations from these premises and even if we manage to re-locate, there is no assurance that such re-location would result in resuming same level of operation or revenue contribution. Our revenues, financial condition, results of operations, reputation and future prospects may be impacted significantly as a result of any such action.

Additionally, certain applications made before relevant fire service departments seeking issue/ renewal of no-objection certificates for occupancy for three buildings at two of our hospital are currently pending. For further details about hospital buildings where relevant building and safety related approvals are yet to be received, please see "*Government and Other Approvals*" on page 375.

3. ***Our sources of revenues are concentrated in our hospital at Secunderabad. We are significantly dependent on this hospital continuing to grow in revenue terms to be able to maintain a healthy financial position. We are also heavily dependent on certain specialties for a majority of our revenues, i.e. cardiac sciences, neurosciences, oncology, orthopaedics, renal sciences and gastric sciences. Any impact on the revenues from this hospital or earnings from our top specialties will materially affect our business, financial condition and results of operations.***

Our hospital at Secunderabad contributed 70.30% of our revenue from operations for the six months ended September 30, 2017, 72.86% in Fiscal Year 2017, 74.62% in Fiscal Year 2016 and 70.73% in Fiscal Year 2015. We are heavily dependent on this hospital to continue to generate higher revenues and maintain a healthy financial position. Further, the revenue from six specialties, *i.e.* cardiac sciences, neurosciences, oncology, orthopaedics, renal sciences and gastric sciences accounted for 73.47% of our total revenue for the six months ended September 30, 2017. Any material impact on our revenues from our hospital at Secunderabad or from such specialties, including by reason of reduction in patient footfall, reputational harm, liabilities on account of medical negligence and loss due to natural calamities and increased competition, could have a material adverse effect on our business, financial condition and results of operations.

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

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

We cannot assure you that we will be able to procure the latest equipment and technologies at commercially suitable terms and in a timely manner or at all. We may also incur significant costs in replacing or modifying equipment in which we have already made a substantial investment before the end of its anticipated useful life. Although we typically sell any obsolete equipment back to the suppliers of such equipment, there can be no assurance that we will be able to continue to do so on financially viable terms, or at all. In addition, we incur substantial capital expenditure because of the high costs of such medical equipment, we may not maintain back-up equipment, and, therefore, even though we generally obtain warranties for our equipment, if such equipment is damaged or breaks down, our ability to provide services to our patients may be impaired, which could adversely affect our business. There can be no assurance that we will have sufficient funds to continually invest in such equipment and technologies on a timely basis, or at all. Our success in the future will depend significantly on our ability to take advantage of and adapt to technological developments to compete with other healthcare services providers. Our failure to understand, anticipate or respond adequately to evolving medical technologies, market demands or client healthcare requirements may cause adverse effects on our business and reduce our competitiveness and market share.

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

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements. For further details of our payers, see "*Our Business – Payment for our Services*" on page 133. Each third party payer agreement typically specifies the services covered and any applicable exclusion, the approved tariffs for each of the services and the terms of payment. Our agreements with third party payers provide an important source of patients for us and therefore, impact our revenue. During the six months ended September 30, 2017, Fiscal Years 2017, 2016 and 2015, we billed ₹ 1,567.56 million, ₹ 2,636.93 million, ₹ 2,230.71 million and ₹ 1,585.47 million, respectively to third party payers which represented 48.16%, 46.87%, 43.99% and 38.09%, respectively of our total inpatient and outpatient billed revenue for such periods. As a result of this significant revenue concentration, we are dependent on the timely payment of outstanding dues by such third party payers. If we do not receive payments on a timely basis from third party payers our financial condition, cash flows and results of operations could be materially and adversely affected.

As at September 30, 2017, we had outstanding gross receivables amounting to ₹ 1,048.37 million from third party payers, which represented 94.88% of our gross trade receivables and 31.99% of our total revenue from operations, for the six months ended September 30, 2017. We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payers. Provisions for disallowances reduce our revenue from operations and provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

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

We operate in a competitive environment. In most markets, we are required to compete with hospitals, clinics and dispensaries of varying sizes and with ability to perform different kinds of services, some or all of which we may or may not be able to offer. Our ability to compete in a given market is driven significantly by the extent and depth of diagnosis and procedural capabilities of our competitors and the complexities involved. The healthcare industry is driven by, amongst others, brand value and reputation of the establishment, including skills of particular consulting doctors and the abilities of surgeons. Some of the hospitals that we compete with are owned or operated by tax-supported governmental bodies or by private not-for-profit entities supported by endowments and charitable contributions which can finance capital expenditures on a tax-exempt basis. We may also face competition from the foreign healthcare chain industry which may begin providing services in India in the future. Our hospitals and clinics compete on factors such as reputation, clinical excellence and patient satisfaction and our retail pharmacies compete on factors such as location, price and product offerings.

We are constantly required to evaluate and increase our competitive position in each of our markets, including requiring meeting industry standards as regards compensation for doctors and healthcare staff and offering our patients competitive rates for diagnosis, treatment and procedures. We are continually required to hire better talent, which comes at a significant cost. As a result, we may have to lower our profitability levels and continue to strive to compete with our competition on all fronts.

It is also possible that there will be significant consolidation in the medical industry. Our competitors may develop alliances, and these alliances may acquire significant market share. Concentration within the sector, or other potential moves by our competitors, could improve their competitive position and market share and may exert further pricing and recruiting pressure on us.

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

7. ***The healthcare industry is subject to various laws and regulations. Compliance with applicable safety, health, environmental and other governmental regulations and any violations of existing regulations may be costly and adversely affect our business and results of operations.***

The healthcare industry is subject to laws, rules and regulations in the regions where we conduct our business or in which we intend to expand our operations. For a description of the regulations to which we are subject, see "*Regulations and Policies*" on page 138. Given our hospitals are situated at multiple locations, we are subject to various and extensive local law, rules and regulations relating, among other things, to the setting up and operation of private medical care establishments.

Health and safety laws and regulations in India are becoming increasingly stringent in the recent years, and it is possible that they will become significantly more stringent in the future. For instance, the Bio-Medical Waste Rules, 2016 require mandatory authorisation and annual reporting requirements for all establishments handling bio-medical waste. In the fertility business, the proposed Assisted Reproductive Technology (Regulation) Bill of 2014 prescribes registration requirements for clinics providing assisted reproductive services; imposes additional obligations on fertility clinics which provide counseling to individuals opting for such procedures; and mandates record keeping obligations and stricter compliance norms with respect to procedures being carried out.

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

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

Our performance is highly dependent on our Promoters, senior management and other key personnel to maintain our strategic direction and manage our current operations and meet future business challenges that may also arise in relation to our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the active involvement of our Promoters in our operations and the services of our senior management and our key management personnel have been integral to our development and business. For details in relation to the experience of our Promoters and key management personnel, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 180 and 162, respectively. If one or more of these individuals or any other member of our senior management team is unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and results of operations. We may take a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results and results of operations may be materially and adversely affected.

9. We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to February 2003.

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and his family members. Subsequently, in February 2003, certain of our Promoters, namely Dr. Bhaskar Rao, Krishnaiah Bollineni and BRMH, along with certain other persons and entities acquired 245,000 Equity Shares, being the entire equity share capital of the Company (then 'Jagjit Singh and Sons Private Limited') from the then existing shareholders pursuant to a memorandum of understanding and agreement of takeover dated August 22, 2002. We have been unable to trace the complete set of documents pertaining to corporate, accounting, financial, legal and other statutory records, including any supporting documents and/or RoC filings for the period prior to the acquisition, other than minutes of the meeting of board of directors of the Company from incorporation till January 1987 and from July 26, 2002 to November 15, 2002. Therefore, we are unable to conclusively ascertain *inter alia* all amendments to the Memorandum of Association of our Company till February 2003. Further, we do not have any supporting documents to ascertain whether our Company had at any point of time prior to February 2003 entered into any arrangement or scheme of amalgamation, acquired any business or undertaking, undertaken revaluation of its assets, carried out a public offering of debt securities, experienced strikes, lock-outs or time/cost overruns, defaulted on or rescheduled its borrowings from financial institutions or banks or changed its registered office. The relevant documents are also not available at the office of the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad (which included inspection of filings of the Company available with the Registrar of Companies, Maharashtra, at Mumbai), as certified by IKR & Associates, Company Secretaries, pursuant to their certificate dated June 26, 2017, based on the search performed by them. Consequently, disclosures in relation to changes in our issued, subscribed and paid up share capital from incorporation till January 1987 and from July 26, 2002 to November 15, 2002 have been made in reliance of the minutes of the meetings of board of directors, to the extent available. We cannot assure you that these form filings and corporate records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

10. We have in the past ceased operations and / or decommissioned beds out of certain facilities and may continue to do so. We may not be able to successfully implement all our growth strategies, including due to failure to manage our Subsidiaries and Associate which run certain of our hospitals, which could adversely affect our business, financial condition and results of operations.

We propose to grow our business by adopting a series of strategies. For details, see "*Our Business – Our Strategies*" on page 126.

Our growth depends on our ability to develop, acquire and manage additional hospitals and also expand and improve our existing hospital facilities. Further, two of our hospitals, namely, our hospital at Srikakulam and Kondapur are operated by AHPL and KHEPL, our Subsidiary and Associate, respectively. Any failure to effectively manage our Subsidiaries and Associate or any future subsidiary or associate under which any new hospital is operated could adversely affect our business, financial condition and results of operations. We are continuously evaluating other projects, including acquisition opportunities. We may not be able to identify suitable greenfield sites for new hospitals, acquisition or hospital management opportunities or opportunities for expanding capacity at our existing hospital facilities. The number of attractive expansion opportunities may be limited and may command high valuations. We may be unable to secure the necessary financing or negotiate attractive terms to implement expansion projects.

Any new project we undertake could be subject to a number of risks. We may face challenges while building new hospitals or renovating, rebuilding or repositioning existing hospitals or identifying sufficient doctors, of requisite skills and qualifications, to partner with in the territories we intend to target. We may also be unable to effectively integrate new facilities with our current operations. Our growth strategies could also place significant demand on our management and our administrative, operational and financial infrastructure. The costs and time required to integrate the new hospitals with our existing business could cause an interruption or a loss of momentum in our business activities. All of these factors may adversely affect our business and growth prospects. We have in the past and will continue in relation to our greenfield projects, partner with the local doctors in the regions where we set up our hospitals. We cannot assure you that we will be able to identify such doctors or they will agree to partner with us on our terms, or at all, or that such doctors will be appropriate for us to partner with or such partnership will benefit us in the anticipated manner, or at all.

Our ability to acquire or build and operate new hospital projects is subject to various factors that may involve delays or problems, including, without limitation, delays in project execution resulting in significant time and cost overruns, delays or failure in receiving government approvals, unavailability of human and capital resources, inability to comply with real estate laws or obtain approvals from any real estate regulatory authority or any other risks that we may or may not have foreseen. For instance, we have ceased operations out of facility at Vijaywada, Andhra Pradesh in Fiscal 2015 due to non-renewal of the lease (renewable in three years) by the lessor. Further, pursuant to a subsidy granted by the Netherlands government, we had agreed by way of a non-binding MoU to set up a joint venture in Africa to provide certain healthcare services. However, our joint venture partner defaulted on its obligations, consequent to which we were required to terminate the MoU.

New hospital projects are characterized by long gestation periods and substantial capital expenditures. We may not achieve the operating levels that we expect from future projects and we may not be able to achieve our targeted return on investment on, or intended benefits or operating synergies from, these projects. Potential title uncertainties regarding the lands on which potential acquisition targets and management contracts opportunities are or may be located, including related litigation, may also cause delays in, and may otherwise curtail, our expansion plans. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. We may also be unable to achieve the targeted levels of operations from our future projects. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past activities of such businesses. Additionally, expansion into new geographic regions, including new regions in India will subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

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

Maintaining and enhancing the reputation associated with our intellectual property is integral to our success. Our Company has made 12 applications in various classes for the registration of certain trademarks, including our corporate logo. Opposition applications have been filed against two of our trademark applications for our corporate logo 'KIMS HOSPITALS' (logo), against one of our trademark applications for the 'KIMS – THE FUTURE OF HEALTH' (logo), and against one of our applications for the trademark 'KIMS HOSPITALS' before the Registrar of Trade Marks, Chennai. These opposition applications have been filed on various grounds including, *inter alia*, deceptive similarity with certain trademarks used by the opposing parties, claiming that grant of registration of these trademarks to our Company could lead to loss of distinctive character and reputation of their trademarks. For details, see "*Outstanding Litigation and Material Developments – Other Litigation*" on page 365. We currently do not own the trademark to our corporate logo. Consequently, an infringement of such intellectual property that we currently use or a claim against us in respect of intellectual property that we have used in the past, for which we may not have recourse, may adversely affect our reputation and thereby, our business. Our failure to register or protect our intellectual property rights may also undermine our brand and result in harm to the growth of our business. If any of our confidential or proprietary information, were to be disclosed or misappropriated, or if a competitor independently developed any such information, our competitive position could be harmed.

Furthermore, we cannot be certain that the equipment vendors, from whom we purchase equipment, have all requisite third party consents and licences for the intellectual property used in the equipment they manufacture. As a result, we may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties.

12. ***Our Company had made an allotment of equity shares that was not in compliance with Section 67(3) of the Companies Act, 1956.***

Our Company had, by way of preferential allotment, allotted 733,535 Equity Shares to 64 persons on September 14, 2005, which was not in compliance with the then applicable laws relating to a private placement of securities (the "**Stated Allotment**"). Under the first proviso to Section 67(3) of the Companies Act, 1956, any offer or invitation for subscription of shares made to more than 49 persons was deemed to be a public offer, which triggered compliances under the Companies Act and the framework prescribed in this regard by SEBI. For further details of the Stated Allotment, see "*Capital Structure*" on page 76.

Pursuant to a press release dated November 30, 2015 and circulars dated December 31, 2015 and May 3, 2016 (collectively, the "**SEBI Circulars**"), SEBI has provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a fiscal year may avoid penal action subject to fulfillment of certain conditions. These conditions include providing an option to the current holders of the equity shares so allotted to surrender such equity shares at an exit price not less than the amount of subscription money paid along with 15% interest per annum or such higher return as promised to investors. Based on the SEBI Circular, in good faith and in the interest of the shareholders of our Company, our Board by a resolution dated March 8, 2017, authorised Dr. Bhaskar Rao Bollineni, our Promoter, to provide an exit offer to all existing shareholders of our Company as of May 5, 2017 ("**Eligible Shareholders**" and such offer, the "**Exit Offer**"). Subsequently, an invitation was issued through letters dated May 22, 2017 to all the Eligible Shareholders to offer all Equity Shares held by them on the record date for sale to our Promoters at a purchase price calculated in accordance with the SEBI Circulars. Further, in accordance with the SEBI Circulars, our Company has also submitted a certificate obtained from a peer reviewed practicing independent company secretary certifying compliance of the Exit Offer with the SEBI Circulars to SEBI.

Our Company along with Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni and Sambasiva Rao Mayeni (**"Applicants"**) had also filed an application dated June 10, 2017 with the Regional Director, South East Region, Hyderabad / National Company Law Tribunal, Hyderabad (**"NCLT"**) under Section 621A of the Companies Act, 1956 and section 441 of the Companies Act, 2013, seeking to compound any breach of the Companies Act, 1956, on the ground that the non-compliance of the Companies Act, 1956 was unintentional and inadvertent. The Regional Director, Ministry of Corporate Affairs, Hyderabad has compounded the violation and the Applicants have paid the applicable compounding fee of ₹ 5,000 each. There can be no assurance that the SEBI or any other regulatory authority or court will not take any action or initiate proceedings against our Company, Promoters, Directors and other officers in respect of the Stated Allotments in the future. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences, including adjudicatory penalties, criminal sanctions or additional remedial measures, and could have a material adverse effect on our business, finances and results of operations, as well as on our reputation.

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

Our profitability is susceptible to the cost of medical consumables, pharmacy items, and medical equipment. The complex nature of the treatments and procedures we perform at our hospitals requires us to invest in technologically sophisticated equipment, which is generally very expensive. Additionally, for the six months ended September 30, 2017, Fiscal Years 2017, 2016 and 2015, cost of medical consumables and pharmacy items consumables represented 23.97%, 24.30%, 24.37% and 26.40% respectively of our total revenue.

Our profitability is affected by our ability to achieve favourable pricing on our medical consumables, pharmacy items and medical equipment from our vendors, including through negotiations for vendor rebates, as well as other vendor financing received with respect to our medical equipment in the normal course of business. Because these vendor negotiations are continuous and reflect the ongoing competitive environment, the variability in timing and amount of incremental vendor discounts and rebates can affect our profitability. These vendor programmes may change periodically, potentially resulting in higher cost of medical equipment, drugs and consumables and adverse profitability trends, if we cannot adjust our prices to accommodate such increase in costs. Further, such increased costs may negatively impact our ability to deliver quality care to our patients at competitive prices, or at all. If we are unable to adopt alternative means to deliver value to our patients, our revenue and profitability may be materially and adversely affected. Further, our ability to achieve favourable pricing may also be affected by government policies which regulate the pricing of medical items. For example, the National Pharmaceutical Pricing Authority recently set ceiling on the price of cardiac stents, a mesh tube placed in arteries with a view to improve the blood flow to the heart, and also on the price of orthopedic knee implants for knee replacement systems.

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

14. ***Reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect our business and results of operations.***

In India, pharmaceutical prices are subject to regulation and the Government has been actively reviewing prices for pharmaceuticals and their trade margins. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines, 2015 and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers released the DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The DPCO 2013 governs the price control mechanism for formulations listed in the National List of Essential Medicines. Our ability to achieve favourable pricing may be affected by such government policies which regulate the pricing of medical items. For example, the National Pharmaceutical Pricing Authority recently set ceiling on the price of cardiac stents, a mesh tube placed in arteries with a view to improve the blood flow to the heart, and also on the price of orthopedic knee implants for knee replacement systems.

The DPCO 2013 was amended in 2016 and the Drugs (Price Control) Amendment Order, 2016 fixed or revised ceiling prices of certain formulations under the DPCO. The NPPA may also notify the ceiling price for additional formulations under the DPCO or some or all of the remaining formulations listed in the National List of Essential Medicines. Under terms of the DPCO 2013, non-compliance with the notified ceiling price or breaching the ceiling price would be tantamount to overcharging the consumer under the order, and the amount charged over and above the ceiling price shall be recovered along with interest thereon from the date of overcharging. Any action for violation of pricing regulations may divert management attention and could adversely affect our business, prospects, financial condition and results of operations. While we cannot predict the nature of the measures that may be adopted by governmental organizations in the future or their effect on our business and revenues, the announcement or adoption of such proposals may affect our profit margins and results of operations.

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

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

A summary of material proceedings against our Company, Subsidiaries, Directors, Promoters and Group Companies as of the date of this Draft Red Herring Prospectus is provided below:

I. Litigation against the Company

Nature of cases	***Number of cases***	***Total amount involved (₹in million)***
Criminal cases	3	Not ascertainable
Civil cases	4	40.50
Tax cases^	11	143.66^
Others*	5	Not ascertainable

^ Includes luxury tax proceedings amounting to ₹ 82.27 million, service tax proceedings amounting to ₹ 59.63 million and VAT proceedings amounting to ₹ 1.76 million.
** Includes cases instituted by statutory and regulatory authorities.*

II. Litigation against the Directors

Nature of cases	***Number of cases***	***Total amount involved (₹in million)***
Criminal cases	4	Not ascertainable
Civil cases	2	15.00
Tax cases	2	15.93
Others*	1	Not ascertainable

** Includes cases instituted by statutory and regulatory authorities.*

III. Litigation against the Promoters

Nature of cases	***Number of cases***	***Total amount involved (₹in million)***
Criminal cases	4	Not ascertainable
Civil cases	2	15.00
Tax cases	3	35.40
Others*	3	0.28

** Includes cases instituted by statutory and regulatory authorities.*

IV. Litigation against the Group Companies

Nature of cases	***Number of cases***	***Total amount involved (₹in million)***
Civil cases	5	36.82
Criminal cases	Nil	Nil
Tax cases	32	924.39
Others*	4	30.98

** Includes cases instituted by statutory and regulatory authorities.*

V. Litigation against the Subsidiaries

Nature of cases	***Number of cases***	***Total amount involved (₹in million)***
Criminal cases	Nil	Nil
Civil cases	1	Not ascertainable
Tax cases	Nil	Nil
Others	Nil	Nil

We have also obtained an interim order restraining the municipal authorities in Nellore from demolishing a portion of our property forming part of the KIMS Nellore premises, in relation to certain road widening activities being undertaken by the authorities. For further details, see "*Outstanding Litigation and Material Developments – Material outstanding litigation by our Company*" on page 364. We cannot assure you that any of these matters will be decided in favour of our Company, our Subsidiaries, Promoters, Directors, and Group Companies, or that no additional liability will arise out of these proceedings. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse judgment in any of these proceedings, individually or in the aggregate could adversely affect our business, reputation and cash flows.

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

We operate in a heavily regulated industry and are required to periodically obtain a number of approvals and licences from governmental and regulatory authorities, in relation to *inter alia* the operation of our hospitals and other medical facilities, procurement and operation of medical equipment, storage and sale of drugs and in relation to educational courses. Certain of our facilities, including blood banks at certain hospitals, are operated through third parties, and such parties are responsible for obtaining the requisite licenses and approvals. For an overview of the applicable regulations and the nature of key approvals and licences to be obtained, see "*Regulations and Policies*" on page 138.

While we have obtained required approvals for our operations, certain approvals for which we have submitted applications are currently pending. In addition, we have, and may need to in the future, apply for certain additional approvals, including the renewal of approvals which may expire from time to time and approvals required for expansion, setting up of any new medical facility or introduction of a medical service or procedure, in the ordinary course of business. These include, for instance, renewal applications for consents to operate three of our hospitals, filed before relevant state pollution control boards, in light of the increase in the respective bed capacities of such hospitals. For details of pending applications, see *"Government and Other Approvals - Business and Operational Approvals"* on page 376.

There is no assurance that such approvals and licences will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licences in a timely manner would make our operations non-compliant with applicable laws, including environmental legislation, and may result in imposition of penalties by relevant authorities. We may also be prevented from operating the relevant hospital or from operating certain equipment which requires us to obtain the relevant approval or licence. Our ability to operate out of such hospitals or carry on the relevant activity / procedures may be impeded as a result, thus adversely impacting our business, financial condition and results of operations.

Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to submit periodic compliance reports or incur substantial expenditure. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations, including by delay in filing of any periodic compliance reports, could expose us to legal action, significant compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far. For instance, in relation to bio-medical waste management at KIMS Secunderabad, the TSPCB issued certain directions dated October 25, 2017 to be implemented by our Company within the period stipulated therein. Further, in the event accreditations, such as from the National Accreditation Board for Hospitals and Healthcare Providers, India, are made compulsory, either by law or as a condition for undertaking particular medical procedures, our business and operations may be adversely affected until such time we receive the accreditation. We cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses.

17. ***Our ability to provide affordable healthcare to our patients is dependent on a number of factors including high volumes, low project cost and effective capital deployment. Any change in these factors could impede our ability to provide affordable healthcare and have an adverse effect on our business, prospects and results of operations.***

We are committed to providing high quality affordable healthcare services to our patients. Our ability to provide affordable healthcare depends on a number of factors including standardized protocols for medical and operating procedures, low project cost, and effective capital deployment. All of our hospitals, with the exception of our hospital at Kondapur and Secunderabad (and our hospital at Nellore which is partially located on land taken on lease) are located on land which is owned by us. We have an Average Capital Cost Per Bed of ₹ 4.31 million as on September 30, 2017. However, there can be no assurance that we will be able to retain or acquire land for our future expansions at commercially viable terms or at all. Further, there can be no assurance that our Average Capital Cost Per Bed will not increase in the future. In case we fail to achieve or maintain low project cost or effectively deploy our capital, our ability to provide affordable healthcare may be impeded and our business, reputation and our prospects and results of operations may be adversely affected.

18. ***Certain lands on which our hospital buildings are operating are not owned by us. Any adverse impact on the title or ownership rights of the owner or breach of the terms or non-renewal of the license agreement may lead to disruptions and affect our business operations***.

Certain of our hospitals, namely our hospital at Secunderabad, Kondapur and Nellore (partially leased), are situated on land that is not owned by us. Such land/buildings have been taken on lease. Any use of the leased land pursuant to the lease deeds will have to be in compliance with the terms and conditions contained in such lease deeds. The lessors may terminate the leases in the event of breach of the terms of the lease deeds, including delay in payment or non-payment of rent, usage of the property other than for the purposes for which it has been leased, or on the transfer, assignment or mortgage of the land or the clinical establishments situated thereon in breach of the terms of the lease deeds.

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

Any non-renewal of such arrangements or the renewal of any such arrangements on unfavorable terms could lead to disruptions to our business and have a material adverse impact on our results of operations.

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

Penetration of health insurance in India is low (*Source: F&S Report*). Most indemnity plans under health insurance policies in India are designed so that the insured is responsible to pay out-of-pocket expenses to the healthcare providers and then file a claim to get reimbursed. Most health insurance policies in India cover only inpatient care costs. Consequently, higher out-of-pocket expenses related to healthcare in India may make healthcare unaffordable for lower income households. Due to the lack of viable health insurance policies in India, demand for our medical services may not increase as expected. Additionally, lack of penetration of health insurance in India, may adversely effect our trade receivables. As a result, our business, cash flows and results of operations could be materially and adversely affected.

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

There are restrictive covenants in agreements entered into by our Company and Subsidiaries with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior consent of these banks and financial institutions for various activities, including effecting any changes to our capital structure or shareholding pattern, raising fresh capital or any term loans or debentures; undertaking any merger, amalgamation or restructuring, utilizing loans for purposes other than those set out in the financing agreement, implementing any scheme of expansion, diversification or modification (other than incurring routine capital expenditure), disposing of any assets; taking actions that result in a change of control over us, declaring or paying dividends, making investments in other concerns and effecting any amendments in our memorandum and articles of association. Under our financing arrangements certain of our lenders also have a right to appoint nominee directors on our Board of Directors. We cannot assure investors that we will receive such approvals in a timely manner or at all. In the event our lenders refuse to grant the requisite approvals, or impose onerous conditions in the approvals granted, our business or corporate strategies may be adversely impacted.

Certain financing agreements also require us to maintain specified financial ratios, which we may not have complied with in the past or be able to comply with on a continual basis on account of several factors. Further, there have, in the past, been certain delays in payment of principal and interest amounts on certain term loans. For details, see "*Summary Financial Information – Observations made by our Auditors*" on page 62. While as of the date of this DRHP, we have not received any notice of default or non-compliance from any of our existing lenders, in the event of receipt of such notice or upon any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, certain of our financing arrangements also contain cross default provisions which could automatically trigger defaults under other financing arrangements and certain financing arrangements provide the banks and financial institutions with the right to convert amounts due into equity in the case of default. For further details on our financing agreements, see "*Financial Indebtedness*" on page 358.

In addition, we are susceptible to changes in interest rates and the risks arising therefrom. Our financing agreements entail interest at variable rates with a provision for the periodic reset of interest rates. See "*Financial Indebtedness*" on page 358 for a description of interest typically payable under our financing agreements. If the interest rates for our existing or future borrowings increase, our cost of servicing our borrowings may increase, which may have a material adverse effect on our business, financial condition and results of operations.

Further, as on October 31, 2017, our Company has also issued corporate guarantees in favour of certain entities for KIMS Hospital Enterprises Private Limited to the extent of ₹ 310.00 million.

As on October 31, 2017, our total borrowings (including long-term and short-term borrowings) amounted to ₹ 2,723.09 million on a consolidated basis. Any additional financing that we require to fund our expenditure, if met by way of additional debt financing, may place restrictions on us which may, among other things, limit our ability to pursue our growth plans, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes, limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

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

We operate in a capital intensive industry and require additional funding to finance our operations and growth strategies. Sources of additional financing may include commercial bank borrowings, vendor financing, or the sale of equity or debt securities. There can be no assurance that we will be able to obtain any additional financing on terms acceptable to us, or at all. The cost of raising capital is high and any additional funding we obtain may strain our cash flows and financial condition. Our ability to raise additional financing in the future is subject to a variety of uncertainties, including but not limited to:

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

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

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

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

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

23. ***A majority of our doctors are not our employees. Our arrangements with such doctors are on a consultancy basis. If such doctors discontinue their association with us or are unable to provide their services at our hospitals for any reason or if we are unable to attract or retain such consultants, and other healthcare professionals, our business and results of operations may be materially and adversely affected.***

As on September 30, 2017, we had 766 doctors, of whom 383 were engaged on a consultancy basis and 162 were doctors under the DNB student program. Most of our doctors do not work exclusively with us and are permitted to engage in private practice outside of our business. There is no assurance that our consultant doctors will continue to provide services to us or devote the whole of their time to our hospitals. We may, as a result, be unable to effectively utilise their time and expertise in providing services to our patients. These arrangements may also give rise to conflicts of interest, including with regard to how these doctors allocate their time and other resources between our hospitals and other clinics or hospitals at which they work and where doctors refer patients. Such conflicts may prevent us from providing a high quality of service at our hospitals and adversely affect the level of our patient intake which may have an impact on our business and results of operations.

24. ***Some of our Group Companies have incurred losses or have had negative net worth during recent Fiscal Years.***

Certain of our Group Companies have incurred losses in recent fiscals. Provided below are details of these losses (after tax) suffered in Fiscal 2017, 2016 and 2015:

(*₹ in million*)

Name of Group Company	**Details of Profit / (Loss)**		
	Fiscal 2017	**Fiscal 2016**	**Fiscal 2015**
KIMS Hospital Enterprises Private Limited	(8.02)	(2.79)	(35.36)
Bollineni Developers Limited	(315.91)	(147.92)	(280.54)
Sri Viswa Medicare Limited	(37.19)	3.63	(4.77)

There is no assurance that these or any of our other Group Companies will not incur losses in future periods or that such losses will not have an adverse effect on our Company's reputation or business as a result of such losses.

Additionally, Bollineni Developers Limited had negative net-worth in Fiscal Years 2017, 2016 and 2015:

(₹ *in million*)

Name of Group Company	Net Worth		
	Fiscal 2017	**Fiscal 2016**	**Fiscal 2015**
Bollineni Developers Limited	(1,460.54)	(1,144.63)	(996.71)

***25. We are exposed to legal claims and regulatory actions arising from the provision of healthcare services and may be subject to liabilities arising from claims of malpractice and medical negligence which could materially and adversely affect our reputation and prospects*.**

We are exposed to the risk of legal claims and regulatory actions arising out of the medical services provided by us. From time to time, we may be subject to litigation alleging, among other things, medical negligence by our doctors and other healthcare professionals and product liability for medical devices we use or pharmaceuticals we dispense. Further, we could also be the subject of complaints from patients who are dissatisfied with the quality and cost of healthcare services. In addition, we may be subject to complaints based on malicious rumours regarding our services. Such events may generate negative publicity about our business, reduce customer confidence in the quality of our healthcare services and negatively impact our reputation.

The results of these claims and lawsuits cannot be predicted, and it is possible that the ultimate resolution of these legal claims and regulatory actions, individually or in the aggregate, may have a material adverse effect on our business both in the near and long term, financial position, results of operations or cash flows. Although we defend ourselves vigorously against claims and lawsuits, these matters could:

- require us to pay substantial damages or amounts in judgments or settlements, which individually or in the aggregate could exceed amounts, if any, that may be recovered under our insurance policies where coverage applies and is available;
- harm our reputation and the goodwill associated with our brand;
- cause us to incur substantial expenses and/or substantial increases in our insurance premiums;
- require significant time and attention from our management; and
- require us to incur debt to finance any damages or amounts in judgment or settlement.

If any of our future cases are not resolved in our favour, and if our insurance coverage or any applicable indemnity is insufficient to cover the damages awarded, we may be required to make substantial payments or modify or restrict our operations, which could have an adverse impact on our reputation and competitive position, as well as our business and financial results. Also see "*Risk Factors - Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business and revenues"* below.

Additionally, we rely on our doctors and other healthcare staff and proper operation of the equipment at our hospitals to make proper clinical decisions regarding the diagnosis and treatment of our patients. However, we do not have direct control over the clinical activities of our doctors and other healthcare staff, as their diagnoses and treatments of patients are subject to their professional judgment, and in most cases, must be performed on a real time basis. Current or former patients or their families may commence or threaten litigation for medical negligence or malpractice against us. If such claims succeed, we may become liable for damages and other financial consequences and may even be exposed to criminal liability, which may materially and adversely affect our reputation, financial condition and results of operations. Additionally, clinical trials conducted at our facilities may cause unforeseen adverse side effects resulting in personal injury, sickness or death of patients participating in such trials. We could be held liable and may be required to pay damages for such unforeseen adverse side effects.

In addition, our operations involve the use of hazardous and flammable materials, including chemicals, radioactive and nuclear materials. Most of the radiation therapy and diagnostic imaging equipment we use contain radioactive and nuclear materials or emit radiation during operation. Radiation, radioactive materials and nuclear materials are extremely hazardous unless properly managed and contained. We source nuclear and radioactive material from AERB and the storage and disposal of such materials is done in accordance with the applicable rules and guidelines. Personnel who are engaged in providing radiation therapy wear protective gear and use TLD badges for monitoring of radiation levels. The TLD badges are sent to AERB for periodic monitoring of radiation levels, in accordance with applicable law. However, we cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

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

26. ***The accounts of our erstwhile joint venture, KIMS Wardak Diagnostic Centre Private Limited, which form part of the Restated Financial Statements for Fiscal Years 2012, 2013 and 2014, are unaudited.***

Our erstwhile joint venture, KIMS Wardak Diagnostic Centre Private Limited ("**KIMS Wardak**"), was incorporated under the laws of Afghanistan. Our Company held 25% of the share capital in KIMS Wardak as on January 20, 2015. KIMS Wardak is included in our Restated Financial Statements till Fiscal Year 2014 as a joint venture enterprise over which our Company exercised joint control with other joint venture partner. Our Company disinvested its entire shareholding in KIMS Wardak with effect from January 21, 2015. For further details, see Annexures XXVIII and XXX of the Restated Standalone Financial Statements on pages 240 and 244, respectively, and Annexures XXVIII and XXX of the Restated Consolidated Financial Statements on pages 310 and 314, respectively. As per the relevant laws of Afghanistan, the financial statements of KIMS Wardak were not required to be audited. Accordingly the accounts of KIMS Wardak included in the Restated Financial Statements are on an unaudited basis. For Fiscal Year 2014 KIMS Wardak contributed 0.06% towards our total revenue, on a consolidated basis. Although the financial statements of our subsidiary KIMS Hospitals Private Limited for Fiscal Year 2015 were also not required to be audited, an audit was subsequently performed on these for the purpose of inclusion the Restated Consolidated Financial Statements.

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

Our information technology system is critical to our business as it helps us to manage accounting and financial reporting, coding and compliance, clinical systems, medical records, financial records, training programmes and inventory. Any technical failures associated with our information technology system, including those caused by geographical difficulties, power failures and computer viruses and other unauthorized tampering may impair our ability to provide services to our patients. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in our treatment of patients, and could result in damage to the welfare of our patients. Further, any failure of the centralized systems could materially and adversely affect the operation of all of our hospitals. We may also be subject to liability as a result of any theft, loss, unauthorized disclosure or misuse of confidential, sensitive and/ or personal information stored on our systems. The management of our information technology system is generally outsourced to third party vendors and we have limited control over such vendors. Accordingly, any failure by such third party vendors to adequately secure or manage our information and systems may adversely affect our operations. Further, any discontinuation of existing products and services by these vendors, which we rely on, could adversely affect our business and operations.

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

The following table sets forth our commitments to make future payments and contingent liabilities as on September 30, 2017.

(*in ₹million*)

Particulars	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	174.86	174.86	-	-	-
Commitment towards purchase of consumables	177.36	142.34	35.02	-	-
Undertaking/guarantee given for procurement of medical equipment to our Associate, KHEPL	310.00	-	-	-	-
Value of loan availed outstanding as at period/ year end against aforesaid guarantee	271.93	76.35	128.91	58.33	8.33
Other claims	23.76	-	-	-	-
Total	**685.98**	**393.55**	**163.93**	**58.33**	**8.33**

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For details, see Annexure XXVII of our Restated Consolidated Financial Statements on page 309.

29. ***Conflicts of interest may arise out of common business objects shared by our Company, and certain of our Group Companies which may affect our business, results of operations and financial conditions.***

The main objects clause of the constitutional documents of certain of our Group Companies namely, Sri Viswa Medicare Limited and KIMS Hospital Enterprises Private Limited permits them to undertake business which is similar to our business. KIMS Hospital Enterprises Private Limited currently operates our hospital KIMS Kondapur and Sri Viswa Medicare Limited operates two single specialty hospitals at Secunderabad. We cannot assure you that our Promoters will not favour the interests of such companies over our interest or that, in the absence of non-compete arrangements with such entities, we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

30. ***The auditor's reports on our financial statements contain certain matters of emphasis.***

Our Statutory Auditors have provided certain matters of emphasis relating to the financial statements for our Company. Further, auditors of our Company for each of the respective periods have drawn attention to certain matters in their reports under the Companies (Auditor's Report) Order, 2003, Companies (Auditor's Report) Order, 2015 and the Companies (Auditor's Report) Order, 2016 for non payment of certain dues to lenders and taxes to government within the prescribed timelines. For details please see "*Financial Statements*" on page 193.

Investors should consider these matters in evaluating our financial position, cash flows and results of operations. For details on steps taken by our Company, see *"Summary Financial Information – Observations made by our Auditors"* on page 62.

31. ***We had negative cash flows in the past. Any negative cash flows in the future would adversely affect our cash flow requirements.***

We have in the past, and may in the future, experience negative cash flows. The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

Particulars	Six months ended September 30, 2017	Year ended March 31,		
		2017	2016	2015
	In ₹ million			
Net cash provided by operating activities	695.04	815.49	954.54	638.95
Net cash used in investing activities	(421.86)	(1,000.05)	(407.09)	(712.72)
Net cash provided by/(used in) financing activities	(241.74)	235.07	(654.81)	119.78

Particulars	Six months ended September 30, 2017	Year ended March 31,		
		2017	2016	2015
	In ₹ million			
Net increase / (decrease) in cash and cash equivalent	**31.44**	**50.51**	**(107.36)**	**46.01**

Negative cash flows over extended periods, or significant negative cash flows in the short term, could have a material impact on our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 327.

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

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. Further, while we have procured professional negligence errors and omissions insurance for medical services provided at our hospitals as well as public liability insurance, there is no certainty that such insurance will be adequate to satisfy all the claims arising from medical negligence or malpractice. Any successful claims against us in excess of the insurance coverage may adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects. Insurance against losses of this type can be expensive and insurance premiums may increase in the near future. Insurance rates may also vary by specialty and other factors. The rising costs of insurance premiums could have a material adverse effect on our financial position and results of operations. Further, we cannot assurance you that we will be able to renew our insurance at commercially viable terms or at all.

We currently do not maintain workers' compensation insurance or any business interruption insurance. Any liabilities arising out of workers compensation or business disruption could result in substantial expenses, diversion of resources and could have a material adverse effect on our business, financial condition and results of operations.

33. There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. Further, we have sought for a condonation of delay and compounding from the National Company Law Tribunal, Hyderabad for failure to appoint a company secretary for certain past periods.

In respect of the preferential allotments made during the year 2004 to 2007, the details of which are provided in "*Capital Structure - Notes to Capital Structure - Share Capital History*" on page 76, copies of respective shareholders' resolutions authorizing the allotment of Equity Shares, were not filed with the RoC as required under section 192(4) of the Companies Act, 1956. In respect of the delay, we have filed applications for condonation of delay dated April 11, 2017 with the Secretary, Ministry of Corporate Affairs. By orders dated June 28, 2017, the Assistant Director, Ministry of Corporate Affairs condoned the delay without imposing any penalty and permitted our Company to file the requisite forms. We have subsequently filed copies of the aforementioned orders and shareholders' resolutions with the RoC on July 27, 2017. For further details, see "*Outstanding Litigation and Material Developments*" on page 360. Further, there have been certain discrepancies in relation to statutory filings and records required to be made with the RoC with respect to preferential allotments dated September 14, 2005 and March 29, 2004. We have made filings with the RoC rectifying the aforesaid discrepancies. For further details, see "*Capital Structure*" on page 76.

Further, as per the provisions of the Companies Act, every company having a net worth above the prescribed threshold is required to appoint a company secretary. Our Company had not appointed a company secretary as per the Companies Act, for certain past periods and had filed a petition before the National Company Law Tribunal, Hyderabad seeking condonation of delay and compounding of this matter. National Company Law Tribunal, Hyderabad has compounded the violation and we have paid the applicable compounding fee. For further details, see "*Outstanding Litigation and Material Developments*" on page 360.

Additionally, our Associate and Group Company, KHEPL was in violation of the aforesaid provisions of the Companies Act with respect to appointment of a company secretary for the periods of (i) August 13, 2013 till March 31, 2014 and (ii) December 8, 2014 till September 30, 2016. KHEPL has filed a petition dated May 10, 2017 before the National Company Law Tribunal, Hyderabad seeking condonation of delay and compounding of violation of Section 383A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013. The petition is currently pending. In the event that the National Company Law Tribunal, Hyderabad does not condone the delay or compound the aforesaid matter, we may be subject to penalties.

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

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for the establishment of labour unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment of employees. Our employees are not unionized, and in the event that employees at our hospitals seek to unionise, our costs may increase and our business could be adversely affected. Occurrence of strikes and work-stoppage in the future will adversely affect our reputation, business, financial condition and results of operations. For further details, see "*History and Certain Corporate Matters*" on page 148.

35. ***Our Company and our group companies have availed certain unsecured borrowings which may be recalled by our lenders at any time.***

We have availed certain unsecured borrowings (such as loans from one of our Promoters and financial institution), which may be recalled at any time, with or without the existence of an event of default. For further details, see Annexure VIII A of our Restated Standalone Financial Statements on page 211, Annexure VIII A of our Restated Consolidated Financial Statements on page 280 and *"Financial Indebtedness"* on page 358. Any such recall may adversely affect our financial condition. Further our group companies, namely BSCPL Infrastructure Limited, KIMS Hospital Enterprises Private Limited, Bollineni Developers Limited and Sri Viswa Medicare Limited have availed certain unsecured borrowings (such as loans from our Company, some of our Promoters and certain third parties), which may be recalled at any time.

36. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. See "*Dividend Policy*" on page 192.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For details, see "*Related Party Transactions*" on page 191. We cannot assure you that we will receive similar terms in our related party transactions in the future. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

38. We have issued Equity Shares during the last one year at a price that may be below the Offer Price.

During the last one year we have issued Equity Shares at a price that may be lower than the Offer Price as detailed in the following table.

S. No.	Number of allotees	Whether allottee belongs to Promoter Group	Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share	Reason for allotment
1.	27 allottees	No	December 14, 2016	328,000	10	250	Preferential allotment
2.	97 allottees	No	January 24, 2017	892,740	10	250	Preferential allotment

For further details, see "*Capital Structure*" on page 76.

39. Our individual Promoters and certain of our Directors and Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our individual Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors*", "*Our Management – Interest of KMPs*" and "*Our Promoters and Promoter Group– Interest of Promoters*" on pages 167, 178 and 182, respectively.

40. The name of one of our Promoters appears in the list of disqualified directors published by the MCA

Dr. Abhinay Bollineni, one of our Promoters, is currently appearing in the list of disqualified directors published by the MCA due to his directorship in Pulse Nano Surgical Equipments Private Limited, which is not a member of the Promoter Group or a Group Company In this regard, Dr. Abhinay Bollineni has filed a writ petition before the High Court of Hyderabad challenging his disqualification, pursuant to which the High Court of Hyderabad vide order dated December 5, 2017 directed the MCA and the RoC to restore Dr. Abhinay Bollineni's DIN to enable him to submit annual returns for the last three financial years and the financial statement by December 30, 2017. For further information, see "*Outstanding Litigation and Material Developments – Litigation involving our Promoters - Criminal proceedings against our Promoters*" on page 368. While Dr. Abhinay Bollineni continues to hold directorship on the board of directors of some of our Subsidiaries, in the event Dr. Abhinay Bollineni is unable to obtain a favourable judgment, he may be disqualified from acting as a director under the provisions of the Companies Act, which may cause the vacation of his office from all companies where he is a director and may also impact the reputation of our Company.

41. Our Promoters and members of our Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

Following the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold approximately [●]% of our post-Offer Equity Share capital. As a result, they will have the ability to significantly influence matters requiring share-holders approval, including the ability to appoint Directors to our Board of Directors and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our MOA and AOA, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

42. We do not have certain supporting documents for the information comprising the biographies of certain of our Promoters and Directors included in the sections "Our Promoters and Promoter Group" and "Our Management" of this Draft Red Herring Prospectus.

We do not have certain documents supporting the information included in the biographies, primarily pertaining to the educational qualifications and previous work experience, for certain of our Promoters and Directors, disclosed in the sections "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 180 and 162, respectively. The information included in the Draft Red Herring Prospectus in relation to certain portions of biographies of such Promoters, namely, Dr. Bhaskar Rao Bollineni, Seenaiah Bollineni and Dr. Abhinay Bollineni and certain of the Directors, namely, Anitha Dandamudi, Padmanabhaiah Jankiramiah Kantipudi, Rajeswara Rao Gandu, is based on the details provided by the respective Promoters and Directors by way of affidavits, certifying such information. Therefore, our Company and the BRLMs have been unable to independently verify such information and we cannot assure you that all information relating to the educational and professional background of certain of our Promoters and Directors included in the sections "*Our Promoters and Promoter Group*" and "*Our Management*", as may be applicable, is complete, true and accurate.

43. Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("**IFRS**"). These "IFRS based / synchronised Accounting Standards" are referred to in India as the Indian Accounting Standards ("**Ind AS**"). The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timelines for their implementation. Accordingly our Company is required to prepare their financial statements in accordance with Ind AS for periods beginning on or after April 1, 2017. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements prepared on the basis of Indian GAAP. Further, our Restated Financial Statements have been prepared in accordance with SEBI circular dated March 31, 2016 (SEBI/HO/CFD/DIL/CIR/P/2016/47), Indian GAAP and the Companies Act, and restated in accordance with the SEBI Regulations. These statements have not been drawn up in accordance with Ind AS and they may be impacted if Ind AS were applied to them.

There can be no assurance that the adoption of Ind AS will not affect our reported results of operations or cash flows. Further, we may be required to retroactively apply Ind AS to our historical financial statements, subject to certain exemptions, which may require us to restate financial statements after March 31, 2017, once included. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of our Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition, results of operations and cash flows.

While we have attempted to understand the impact of Ind AS on our accounting policies, details of which are disclosed in "*Significant differences between Indian GAAP and Ind AS*" on page 324, respectively, we have not attempted to quantify the impact of Ind AS on the financial information included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of our financial statements to those under Ind AS and the full impact of the adoption of Ind AS cannot be ascertained.

44. ***This Draft Red Herring Prospectus contains information from an industry report which was prepared by Frost & Sullivan, pursuant to an engagement with our Company.***

This Draft Red Herring Prospectus includes information that is derived from the industry report dated June 26, 2017, titled "Independent Market Assessment of Healthcare Industry in India" prepared by Frost & Sullivan ("**F&S Report**"), pursuant to an engagement with our Company. The F&S Report was prepared for the purpose of confirming our understanding of the healthcare industry in India. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the F&S Report. The F&S Report highlights certain industry and market data. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Prospective investors are advised not to unduly rely on the F&S Report when making their investment decisions.

45. ***The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, or the requirement for us to appoint a monitoring agency in terms of the SEBI ICDR Regulations, the deployment of the Net Proceeds is at our discretion. We operate in highly competitive and dynamic industry and may have to revise our estimates from time to time on account of changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at our discretion. Further we intend to utilize ₹ [●] million from the Net Proceeds for general corporate purposes. The Net Proceeds of the Offer earmarked for general corporate purposes based on the Cap Price and Floor Price constitute [●]% and [●]% of the Net Proceeds of the Offer, respectively. For details, see "*Objects of the Offer*" on page 94.

Further, we are yet to obtain consent from our lenders in relation to prepayment of the loans. We cannot assure you that we will be able to obtain the consent from the lenders in relation to the prepayment of the loans that we intend to prepay from Net Proceeds in a timely manner or at all. No assurance can be given that at the time of grant of consent for prepayment of the loan, the lender will not impose any penalty or fee towards such prepayment.

46. ***The preparation requirement and presentation format of financial statements of our Company subsequent to the listing of its Equity Shares will not be in the same manner and same format as being prepared and presented for this Draft Red Herring Prospectus.***

The Restated Financial Statements disclosed in this Draft Red Herring Prospectus have been prepared in accordance with Indian GAAP and have been restated in accordance with the applicable provisions of Companies Act and the relevant SEBI ICDR Regulations. In order to comply with the requirements applicable to public companies in India, if and when our Equity Shares get successfully listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements in terms of the Companies Act and Ind AS, as applicable. The preparation requirement and the presentation format prescribed under the SEBI ICDR Regulations for Restated Financial Information differs in certain respects between Indian GAAP and Ind AS. Therefore, the preparation and presentation of our financial statements post-listing may be not be comparable with, or may be substantially different from, the manner in which the Restated Financial Information is being disclosed in this Draft Red Herring Prospectus.

EXTERNAL RISK FACTORS

47. ***Challenges that affect the healthcare industry will have an effect on our operations.***

We are impacted by challenges that affect the healthcare industry in general. These include general economic and business conditions, changes in technologies, increase in operating costs, unemployment levels, government regulation and policy and importantly, our competitive position in the market. These factors impact us and our business on an ongoing basis. We will be constrained to respond to changes adequately to remain profitable, including bringing about changes to operations, reducing costs, and revising our growth plans and strategies. Any failure by us to effectively face these challenges could have a material adverse effect on our results of operations.

48. Changing laws, rules and regulations and legal uncertainties, including tax laws and regulations, may adversely affect our business and financial performance.

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

The Ministry of Finance, Government of India issued a notification S.O. 3407 (E) dated November 8, 2016 declaring that with effect from November 9, 2016 bank notes of denominations of the existing series of thevalue of five hundred rupees and one thousand rupees shall cease to be legal tender. The Reserve Bank of India issued notification no. RBI/2016-17-112: DCM(Plg) No. 1226/10.27.00/2016-17 dated November 8, 2016 containing instructions to all banks with respect to withdrawal of legal tender character of these specified banknotes ("**Demonetization**"). Demonetization has created certain liquidity issues for cash transactions in India which is expected to continuein the short-term. Economists expect that these liquidity issues may cause Indian economic growth to slow inthe near term; however, the actual economic impact on the Indian economy is uncertain. We are unable toquantify the impact of Demonetization on our business or the Indian economy and make no assurance whetheror not such Demonetization could materially and adversely affect our business, results of operation, cash flowsand financial condition.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see *"Outstanding Litigation and Material Developments"* on page 360. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example:

- the General Anti Avoidance Rules ("**GAAR**") came into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us; and

- the Government of India has implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines taxes and levies by the Central and State Governments into a unified rate structure. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

49. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by our Company and the Investor Selling Shareholders in consultation with the BRLMs and in accordance with the Book Building Process and will be based on numerous factors. For further information, see *"Basis for Offer Price"* on page 101. The Offer Price may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. There can be no assurances that Bidders who are Allotted Equity Shares through the Offer will be able to resell their Equity Shares at or above the Offer Price.

50. The market price of our Equity Shares may be adversely affected by additional issues of equity or equity linked securities or by sale of a large number of our Equity Shares by our Promoters and significant shareholders and additional issues of equity may dilute your equity position.

We may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of equity or equity-linked securities by us may dilute the positions of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Although our Promoters will be subject to a lock-in after the Offer, sales of a large number of our Equity Shares by our Promoters and significant shareholders after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. For further details on the lock-in of Equity Shares, see "*Capital Structure*" on page 76.

51. There is no existing market for our Equity Shares, and we do not know if one will develop. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. The Offer Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Offer. The market price of the Equity Shares after the Offer may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions and environment towards developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

52. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.

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

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

Our restated financial statements provided in this Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP.

As a result, our financial statements and reported earnings could be different from those which would be reported under IFRS or US GAAP. Such differences may be material. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Had the financial statements and other financial information been prepared in accordance with IFRS or US GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indian GAAP and IFRS or US GAAP, the financial information in respect of our Company contained in this Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or US GAAP. Please see "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Financial and Other Data*" on page 14. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Offer and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS or US GAAP, and how such differences might affect the financial information contained herein.

54. Volatility in political, economic and social developments in India could adversely affect our business.

The central and state governments serve multiple roles in the Indian economy, including producers, consumers and regulators, which may have a significant influence on us. Economic liberalization policies have encouraged private investment in our industry and changes in these governmental policies could have a significant impact on the business and economic conditions in India, which in turn could adversely affect our business, future financial condition and results of operations. In addition, the leadership of India has undergone multiple changes since 1996. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

55. Our business is dependent on the Indian economy. Any adverse development or slow down in Indian economy may have an adverse impact on our business, results of operations and financial condition.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by central or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in currency exchange rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

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

57. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition and may cause the price of our Equity Shares to decline.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

58. Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.

Certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

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

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to a long-term capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India‘s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

60. ***Exchange rate fluctuations in currencies in which we do business could materially and adversely impact our business, financial condition and results of operations***

Our reporting currency in our financial information is the Indian Rupee and our results of operations and financial condition are subject to translational foreign exchange risk as income, costs, assets and liabilities denominated in currencies other than our reporting currency are translated back into Indian Rupee. Our exposure to risks associated with foreign currencies could increase in the future. We have not entered into any formal arrangements to hedge against foreign currency fluctuations. We may be unable to successfully hedge our exposure to currency fluctuations in the future. We may also be unsuccessful in implementing pricing or other actions in an effort to mitigate the impact of currency fluctuations, which could have a material adverse effect on our business, financial condition and results of operations.

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

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

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The suit must be brought in India within 3 years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

Prominent Notes

- Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per equity share) aggregating up to ₹ [●] million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 500 million by our Company and an Offer for Sale up to 18,754,037 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, comprising an offer for sale of up to 13,772,631 Equity Shares aggregating up to ₹ [●] million by IAF, up to 1,268,534 Equity Shares aggregating up to ₹ [●] million by EIF, an offer for sale of up to 1,520,000 Equity Shares aggregating up to ₹ [●] million by Dr. Bhaskar Rao Bollineni, an offer for sale of up to 1,050,000 Equity Shares aggregating up to ₹ [●] million by Rajyasri Bollineni, an offer for sale of up to 300,000 Equity Shares aggregating up to ₹ [●] million by Seenaiah Bollineni, an offer for sale of up to 300,000 Equity Shares aggregating up to ₹ [●] million by Dr. Rajendra Kumar Premchand, an offer for sale of up to 242,872 Equity Shares aggregating up to ₹ [●] million by Sitaram Prasad Gogineni, an offer for sale of up to 160,000 Equity Shares aggregating up to ₹ [●] million by Dr. Manas Kumar Panigrahi, an offer for sale of up to 60,000 Equity Shares aggregating up to ₹ [●] million by Jayanthi Gavini, an offer for sale of up to 40,000 Equity Shares aggregating up to ₹ [●] million by Gavini Satyanarayana, an offer for sale of up to 20,000 Equity Shares aggregating up to ₹ [●] million by Dr. Pyar Ali Jiwani, and an offer for sale of up to 20,000 Equity Shares aggregating up to ₹ [●] million by Dr. Garipalli Ravikanth. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ [●] million for subscription by Eligible Employees. The Offer and the Net Offer would constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively. The Company and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, may offer a discount of ₹ [●] per Equity Share to the Eligible Employees Bidding in the Employee Reservation Portion.

- As of March 31, 2017, the net worth of our Company was ₹ 3,240.96 million and ₹ 3,264.32 million, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements. As of September 30, 2017, the net worth of our Company was ₹ 3,411.75 million and ₹ 3,442.41 million, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements

- As of March 31, 2017, our net asset value per Equity Share was ₹ 45.25 and ₹ 45.58, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements. As of September 30, 2017, our net asset value per Equity Share was ₹ 47.63 and ₹ 48.06, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements.

- The average cost of acquisition per Equity Share by our Promoters, calculated by considering the net amount paid and received by our Promoters for acquisitions and disposals respectively, is as given below.

(in ₹)

Name of Promoter	Average cost of acquisition per Equity Share*
Dr. Bhaskar Rao Bollineni	Nil
Krishnaiah Bollineni	6.05
Seenaiah Bollineni	Nil
Dr. Abhinay Bollineni	12.04
BRMH	Nil

* *As certified by B Naga Bhushan & Co., pursuant to certificate dated December 11, 2017.*

For further details in relation to the shareholding of our Promoters, see "*Capital Structure - Shareholding of our Promoters, Promoter Group and directors of our Corporate Promoter, BRMH*" on page 86.

- There are no financing arrangements pursuant to which our Promoter Group, directors of BRMH, Directors, and/ or their immediate relatives have financed the purchase of Equity Shares by any other person other than in the ordinary course of business during the six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

- There has been no change in the name of our Company in the last three years.

- For details of transactions entered into by our Company with our Subsidiaries and our Group Companies during the last Fiscal Year, including the nature and cumulative value of the transactions, see "*Financial Statements*" on page 193.

- For information regarding the business or other interests of our Group Companies in our Company, see "*Our Group Companies*" and "*Financial Statements*" on pages 186 and 193, respectively.

- Investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints pertaining to this Offer.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including the report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017 prepared by Frost & Sullivan ("**F&S Report**"). The information has not been independently verified by us, the Book Running Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section should be read in conjunction with the "Industry Overview" "Risk Factors" and "Our Business" on page 108, 18 and 122, respectively.*

Overview of the Indian economy

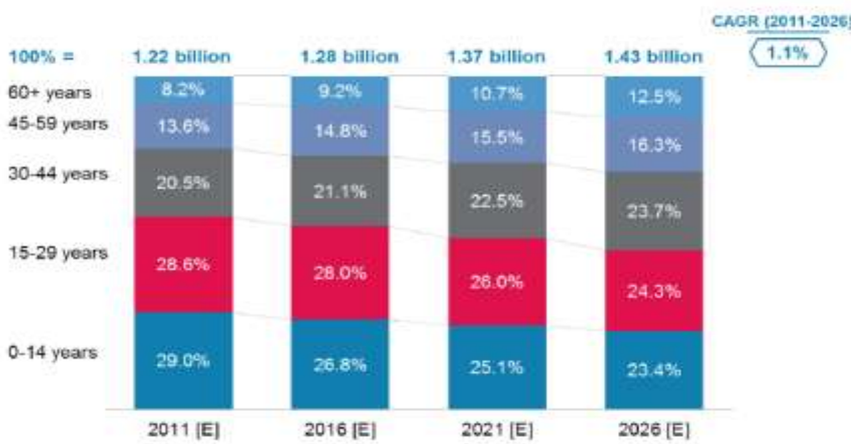
India is one of the fastest growing economies across the globe. As per the IMF predictions, the Indian economy is poised to grow at 7.7% in 2018, recovering from the post demonetisation effect. Due to the temporary cash crisis following the demonetisation by Indian government in the last quarter of 2016, IMF revised the GDP growth of India in 2016 with a reduction from estimated 7.6% to 6.6%. In spite of the downward revision of India's growth rate and slight increase in the growth rate of China's projections, the Indian economy continues to be the fastest growing economy than the other countries of the world. (*Source: F&S Report*)

According to the IMF, the Indian economy is poised to be one of the top five economies by 2020, following the robust GDP growth supported by a strong industry base, a growing population, and other socio-demographic factors, as compared to other economies. With steady economic growth, the per capita income of the population as well as the economic stability of the expanding middle class population of India is on the rise. (*Source: F&S Report*)

Overview of the Indian demographic

The population of India is expected to grow at a CAGR of 1.1% between 2011 and 2026. Growing at this rate, India is expected to be home to 1.43 billion people by 2026. (*Source: F&S Report*)

Set forth below is the population and population growth rate of India (historical and expected):



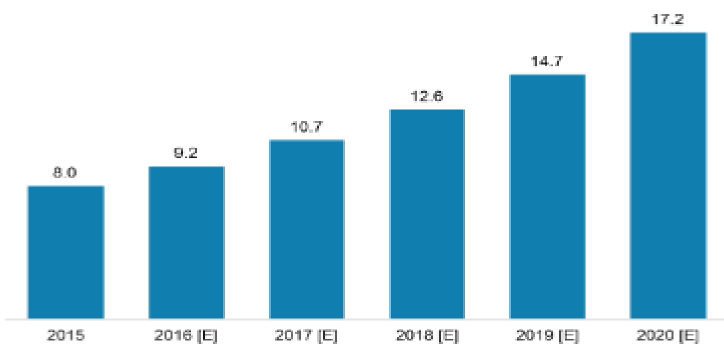
Source: National Commission on Population, F&S Report

The growing population of India offers a large young population pool between the age group of 15 to 44 years. While, the population of India is considerably young, there is a parallel growing elderly population of more than 60 years of age, expected to grow from 8.2% in 2011 to 12.5% in 2026. This segment is predisposed to various chronic diseases like diabetes, heart diseases and cancer. The burgeoning population of India could pose a serious challenge to healthcare access for all; thus, there is a need for development of healthcare infrastructure in India. *(Source: F&S Report)*

Overview of the Indian healthcare industry

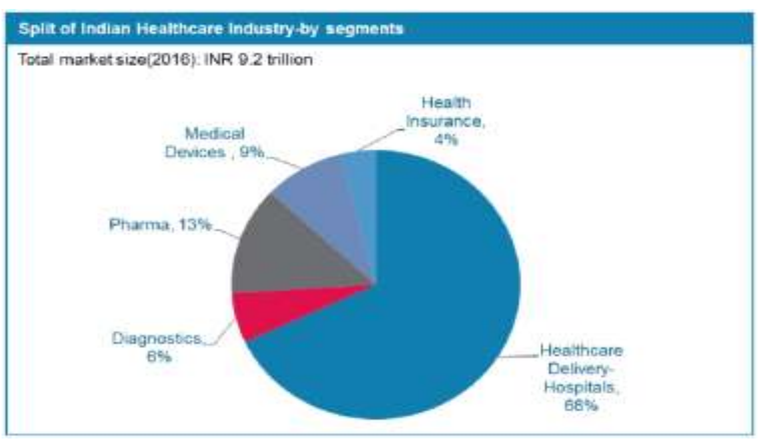
Healthcare industry in India comprises five segments, namely, healthcare delivery industry, pharmaceutical industry, diagnostics industry, healthcare insurance industry and medical devices industry. The overall healthcare market stands at ₹ 9.2 trillion as of 2016 with a historic growth of 14%-15% between 2011 and 2015. Indian healthcare sector is one of the rapidly growing industries, expected to grow at a CAGR of 15%-16% during 2015 to 2020 to reach ₹ 17.2 trillion in 2020. *(Source: F&S Report)*

Set forth below is the Indian healthcare industry size (2015-2020) in ₹ trillion:



Source: F&S Report

Set forth below is the segment wise contribution of the healthcare industry (as of 2016):



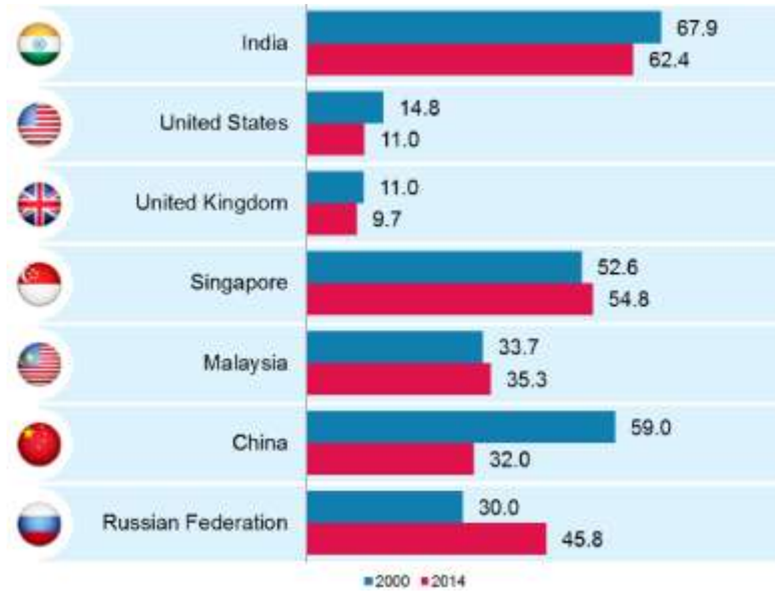
Source: F&S Report

Indian healthcare delivery industry

Indian healthcare delivery industry is estimated at a value of ₹ 6.2 trillion in 2016 and is expected to grow at CAGR of 15%-16% between 2016 and 2020 to reach ₹ 12 trillion by 2020. The contribution from healthcare delivery segment is highest at 68% to overall healthcare market size and is estimated to have grown at a CAGR of 14%-15% between 2011 and 2015.Inpatient volumes contribute approximately 80% of the value to healthcare delivery while the remaining portion is contributed by outpatient volumes (which include doctor consultations, day-care surgeries, and diagnostics and exclude pharmaceuticals purchased). *(Source: F&S Report)*

The total healthcare expenditure of India (as a % of GDP) grew from 4.3% in the year 2000 to 4.7% in 2014; which was much lower than the other South Asian countries like Singapore and China. Further, the out-of-pocket spend was 62.4%, which was much higher compared to the USA (11%) and the UK (10%) in 2014. *(Source: F&S Report)*

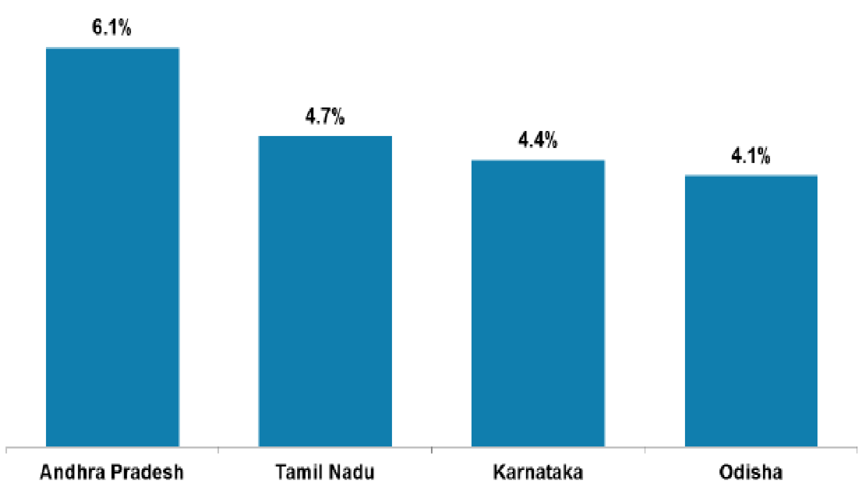
Set forth below is the share of out-of-pocket spend of India and other countries on healthcare (as % of total healthcare expenditure):



Source: WHO Global Health Expenditure database, F&S Report

At the state level, Andhra Pradesh has the highest per capita expenditure on health (2012-13) compared to its neighbouring states. Andhra Pradesh has been attracting investments in various sectors including healthcare following reforms like single window system for state level regulatory approval, online construction permits, automated solutions for environmental and pollution related approvals, which has resulted in growth of established large organized healthcare players in Andhra Pradesh. (*Source: F&S Report*)

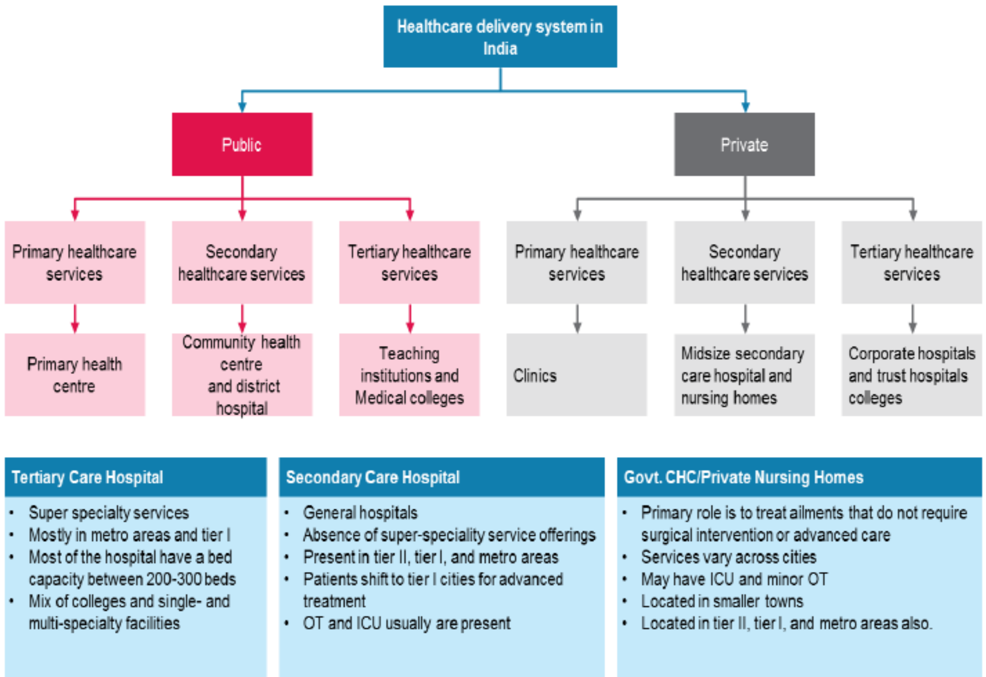
Set forth below is the healthcare expenditure of selected Indian states (as % of total state expenditure):



Source: National Health Profile 2015, F&S Report

Structure of the healthcare industry in India

The healthcare delivery system in India is classified as follows:



Source: F&S Report

- *Primary care facilities:*

Primary healthcare facilities are the first level of contact between patients with the healthcare system. These include outpatient units, dispensaries and clinics providing basic medical and preventive healthcare facilities. (*Source: F&S Report*)

- *Secondary care facilities:*

Secondary care facilities are the second tier of the healthcare system which diagnose and treat complex conditions referred from a primary care facilities. These are the second point of contact in the healthcare value chain and can be further sub-categorized into general care and specialty care.

a. General secondary care hospitals: General secondary care hospitals are smaller hospitals with 50 to 100 beds, focusing on general specialties. The focused specialties include internal medicine, general surgery, OBG, paediatrics, ENT, orthopaedics and ophthalmology. (*Source: F&S Report*)

b. Specialty secondary care hospitals: Specialty secondary care hospitals usually have a larger infrastructure as compared to general secondary care hospitals, with 100 to 300 beds, 15% to 20% of which are dedicated for critical care. (*Source: F&S Report*)

- *Tertiary care facilities:*

Tertiary healthcare refers to the third level of the healthcare value system, in which specialized consultative care is provided usually on referral from primary and secondary care facilities. Tertiary care facilities can be further divided into single specialty tertiary care hospitals and multispecialty tertiary care hospitals. (*Source: F&S Report*)

- *Quaternary care facilities:*

Quaternary care facilities are similar to tertiary care facilities and offer research facilities in addition to providing high-end infrastructure for treatment and diagnosis. (*Source: F&S Report*)

Operating model and cost structure of hospitals in India

Revenue:

For a private hospital, there are the two main sources of revenue, namely, IPD and OPD. In 2015, the IPD revenue stream accounted for nearly 80% of the healthcare industry whereas OPD accounted for the remaining portion. (*Source: F&S Report*)

Cost:

The initial capital required for the hospital for land, building and equipment is a major cost head. The capital expenditure required to build a 150-200 bed multispecialty hospital typically varies from ₹ 6 million to ₹ 8 million per bed (excluding land cost). (*Source: F&S Report*)

Bed occupancy ratio (BOR) and average length of stay (ALOS):

BOR and ALOS are sensitive indicators to measure hospital utilization and play a crucial role in determining the financial health of the hospital. In an ideal scenario, higher BOR and a lower ALOS is considered good by hospitals enabling them to achieve better utilization rates and treating more patients at the same time. (*Source: F&S Report*)

EBIDTA margins:

The operational break-even period for a 150-200 bed multispecialty hospital is nearly two and a half to three and a half years post commencement of its operations. For any hospital, EBIDTA plays a crucial role and helps in determining the earning potential of the business and hospital's current profitability with existing assets and is also a measure of long term profitability. The top-tier EBIDTA margins vary around 20% to more than 25% of total revenue. However, in case of a network or chain of hospitals, a healthy EBIDTA margin is 12% to 18%. Mid-tier EBIDTA margins range from 10% to 20%. (*Source: F&S Report*)

Outlook on the healthcare industry in India

Valued at ₹ 9.2 trillion in 2016 and expected to reach ₹ 17.2 trillion by 2020, at a CAGR of 16%, the healthcare industry is on the growth curve following a vast growing population, fast growing economy, rising disposable incomes, rapid urbanization, rising health insurance, growth of chronic lifestyle diseases and health awareness. Private sector healthcare players will play a crucial role, delivering quality healthcare and improving access to healthcare. The high out-of-pocket expenditure of 62.4% in India clearly indicates the dependence on private healthcare and immense opportunities for private healthcare players. Increasing purchasing power will also create many opportunities for private healthcare delivery players in tier II cities where the demand and supply gap is most significant. (*Source: F&S Report*)

Key growth drivers

A combination of the following demographic and economic factors is expected to drive growth in the healthcare delivery market in India:

a) *Rising population and population growth*: The population of India is growing at a CAGR of 0.9% to reach 1.35 billion by 2020. In 2011, India had a low bed density of 0.7 beds per 1,000 people against the WHO guideline of 3.5 beds per 1,000 people and the global average of 2.7 beds. (*Source: F&S Report*)

b) *Rising income levels*: The demand pattern of the rising middle class population clubbed with rising income levels and demand for better healthcare have opened up a window of opportunities for private healthcare players delivering quality care with sophisticated infrastructure and high levels of clinical excellence. (*Source: F&S Report*)

c) *Increasing urbanisation and healthcare awareness*: According to the World Bank, the levels of urbanization have increased from 31% in 2011 and are expected to be 36% by 2020. Urbanization alters the distribution of healthcare services mainly because of demand. The shift of population from rural to urban areas increases the access to healthcare and simultaneously the awareness for healthcare services. Also, owing to urbanization, lifestyles have become more hectic, giving rise to higher stress levels leading to increase in lifestyle related diseases, thereby putting more pressure on existing resources and infrastructure. (*Source: F&S Report*)

d) *Low government expenditure on healthcare*: The participation of the Government in the total healthcare expenditure has been consistently lower in India giving tremendous opportunities for growth of private healthcare in India. In 2014, the Central Government's expenditure on healthcare accounted only for 1.4% of GDP and nearly 30% of the total health expenditure, lower than certain developing and South Asian countries. (*Source: F&S Report*)

e) *Healthcare infrastructure and manpower:* Indian healthcare sector is facing a massive scarcity of both infrastructure and skilled workforce. In the present-day scenario, per capita infrastructure availability is poor as compared to global standards. With population expected to reach 1.35 billion by 2020, India's healthcare infrastructure will be unable to bear rising healthcare demand. (*Source: F&S Report*)

f) *Health insurance coverage:* The increasing cost of healthcare, rising out-of-pocket expenditure and growing incidence of disease has led to the increase in the financial burden and necessity for universal health coverage. With approximately 75% of the India's population paying for healthcare expenses from their pockets in 2014, healthcare insurance has now emerged as a crucial tool to increase the affordability of healthcare services. (*Source: F&S Report*)

g) *Medical tourism:* The presence of state-of-the-art hospitals, India's cultural diversity, attraction as a tourist destination and accomplished medical professionals coupled with lower cost of healthcare services has strengthened India's position as a preferred destination for medical tourism. Andhra Pradesh is a well known tourist destination known for its enchanting destinations and accounted to the third highest number of domestic tourist footfalls in 2015 among all the states. (*Source: F&S Report*)

h) *Government policies on healthcare:* In 2015, the Government rolled out the new national health policy aimed to strengthen and prioritize its responsibilities for reshaping the health system, focusing on disease prevention, regulation and legislation, human resource development and investment. The new national health policy proposes to raise public health expenditure to 2.5% of GDP from existing 1.4%; at the same time promoting greater collaboration with non–profit organizations and participation of private healthcare players. (*Source: F&S Report*)

i) *Growing prevalence of lifestyle disease*: India is facing a growing burden of non-communicable diseases, largely caused by sedentary lifestyles, rise in pollution levels, global warming, and other factors. There has been a gradual transition in disease patterns, with non-communicable diseases emerging as a major cause of death, attributing to 60% deaths in the country (*Source: F&S Report*). The major lifestyle diseases prevalent currently are: i) Diabetes; ii) Obesity; iii) Cardiovascular diseases; iii) Cancer; iv) Neurological disorders; and v) Chronic respiratory diseases. (*Source: F&S Report*)

SUMMARY OF BUSINESS

This section should be read in conjunction with sections titled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 18, 327 and 193, respectively. In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company, our Subsidiaries, and Associate. Unless otherwise stated, all financial and other data regarding our business and operations presented in this section is on a consolidated basis and are derived from the Restated Consolidated Financial Statements.

*Certain information in this section is also derived from the report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017, prepared by Frost & Sullivan pursuant to engagement with our Company ("**F&S Report**").*

OVERVIEW

We are one of the leading multi-disciplinary integrated private healthcare services providers in southern India, operating a chain of multispecialty hospitals with focus on tertiary and quaternary healthcare (*Source: F&S Report*). We have evolved as the largest corporate healthcare group in Andhra Pradesh and Telangana with our network of six hospitals. (*Source: F&S Report*). We offer a comprehensive bouquet of healthcare services across specialties and super specialties through our network of six hospitals under the "KIMS Hospitals" brand. Our flagship hospital at Secunderabad is one of the largest private hospitals in India at a single location (excluding medical colleges), with a capacity of 1,000 beds (*Source: F&S Report*). Spread across six cities in the states of Andhra Pradesh and Telangana, our hospitals provided services to over 381,975 and 638,529 patients (including inpatients and outpatients) the six months ended September 30, 2017 and Fiscal Year 2017, respectively.

Led by Dr. Bhaskar Rao Bollineni, Managing Director and CEO of our Company, a renowned cardiothoracic surgeon, we have grown from a single hospital to a chain of multispecialty hospitals, both organically and through strategic acquisitions. The oldest hospital in our network was established in 2000 at Nellore, by our Corporate Promoter, BRMH, with a capacity of approximately 200 beds and, as of September 30, 2017, our hospital network has grown to six multispecialty hospitals in six cities, with a total capacity of 2,120 beds, including 1,705 operational beds. We established our flagship hospital at Secunderabad in 2004 with a capacity of 150 beds, regularly adding further capacity taking the total bed capacity to 1,000, as on September 30, 2017. We believe that affordability and quality of healthcare services provided by us and track record of building long-term relationships with medical professionals and doctors, including through equity participation by them in the companies through which we operate our hospitals, has enabled our growth and helped us build a strong name for 'KIMS Hospitals', which will enable us to further establish the brand in India.

We operate and manage all our hospitals, which we believe, provides us with greater control over our facilities and helps us in our endeavour to deliver high quality and affordable healthcare services. Through our portfolio of well-established, matured facilities and newly established facilities, we provide treatment for complex and chronic diseases covering secondary, tertiary and quaternary healthcare. In addition to providing core medical, surgical and emergency services, we provide complex and advanced quaternary healthcare in various specialties under disciplines such as neurosciences, cardiac sciences, oncology, orthopaedics, renal sciences, organ transplantation and gastric sciences. In the six months ended September 30, 2017 and Fiscal Year 2017, our six facilities recorded a daily ARPOB of ₹ 19,244 and ₹ 19,151, bed occupancy rate of 72.19% and 69.10%, and an ALOS of 4.34 days and 4.16 days, on an aggregate basis. In the six months ended September 30, 2017 and Fiscal Year 2017, the daily ARPOB for our facilities situated in metropolitan and tier 1 cities was ₹ 24,392 and ₹ 24,087, whereas for facilities situated in tier 2 and tier 3 cities was ₹ 12,043 and ₹ 11,652, respectively.

During the six months ended September 30, 2017, we had a daily average of 239 inpatient admissions, 1,848 outpatients and a daily average of 81 inpatient admissions, in aggregate, in cardiology, cardiothoracic surgery, orthopaedics and neurosurgery. Our total capacity of beds has increased from 785 as on March 31, 2012 to 2,120 as on September 30, 2017. Each of our hospitals also has integrated pharmacies which cater to our patients.

Our hospitals are equipped with state-of-the-art medical equipment and employ practices and policies which help us provide quality healthcare services to our patients. We were one of the first hospitals in Hyderabad to install 4-Arm

HD da Vinci Robot technology at our hospital at Secunderabad. Our flagship hospital at Secunderabad and our hospital at Rajahmundry have been accredited by the National Accreditation Board for Hospitals and Healthcare Providers, India ("**NABH**") and NABH accreditation is in process for our hospital at Kondapur. Our hospital at Secunderabad is accredited with ISO 9001:2008 certification and has also been accredited by the National Accreditation Board for Testing and Calibration Laboratories ("**NABL**"). Our hospital situated at Secunderabad was awarded the 'Healthcare Excellence Award', by the Indo Global Healthcare Summit and Expo, in 2015. It has also received awards from the Association of Healthcare Providers (India) ("**AHPI**") for nursing excellence, in 2015 and for 'Patient Friendly Hospital', in 2017. In 2017, it was awarded the best hospital of the year in the multispecialty hospital category in Hyderabad by Times Healthcare Achievers Awards and in 2016 received the Pharmacie De Qualite certification from Bureau Veritas. Further, it was the first hospital in Andhra Pradesh and Telangana to have been Green OT certified in 2016. It is also the laureate of the Asia Pacific Society of Infection Control CSSD Center of Excellence Silver Award 2015-2016. Neurology India Journal has ranked the neurology department at our hospital at Secunderabad as the third biggest centre in India on the basis of volume of epilepsy surgeries performed, as on July 31, 2016.

In addition to healthcare services, we also conduct medical education programmes through our affiliations with state medical boards and universities, for various broad and super specialties at our hospitals at Secunderabad and Rajahmundry, including for DNB, under graduation, post-graduation, PhD and diploma programmes. We are also affiliated with Kaloji Narayana Rao University of Health Sciences and the Andhra Pradesh Para Medical Board.

As of September 30, 2017, we had 766 doctors (including 383 doctors engaged on consultancy basis), 1,862 nursing staff, 1,002 paramedical staff and 1,997 administrative staff.

For the six months ended September 30, 2017, Fiscal Years 2017, 2016 and 2015 (i) our total revenue was ₹ 3,289.18 million, ₹ 5,699.31 million, ₹ 5,163.87 million and ₹ 4,238.68 million, respectively, (ii) our profit after tax was ₹ 178.09 million, ₹ 325.56 million, ₹ 266.15 million and ₹ 56.08 million, respectively, (iii) our EBITDA was ₹ 629.00 million, ₹ 1,186.04 million, ₹ 1,122.14 million and ₹ 801.46 million, respectively. From Fiscal Year 2015 to Fiscal Year 2017, (i) our total revenue grew at a CAGR of 15.96%, (ii) our profit after tax grew at a CAGR of 140.93%, and (iii) our EBITDA grew at a CAGR of 21.65%.

COMPETITIVE STRENGTHS

Our principal competitive strengths are:

- Ability to provide quality and affordable healthcare
- Ability to attract and retain high quality doctors, consultants and medical support staff
- Capability in tertiary and quaternary care specialties
- Strong and experienced management team
- Established presence and recognition in Andhra Pradesh and Telangana
- Track record of strong financial and operational performance

OUR STRATEGIES

The primary elements of our growth strategies are set forth below:

- Strengthen our existing hospitals and specialties
- Strengthen our presence in Andhra Pradesh and Telangana
- Expand our geographical presence through organic and inorganic expansion
- Continue to focus on cost efficiencies and implement initiatives to improve existing operational efficiencies

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements as of and for the years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and the six months ended September 30, 2017. These financial statements have been prepared in accordance with Indian GAAP, applicable provisions of the Companies Act, 1956, Companies Act, 2013 and restated in accordance with the SEBI Regulations, and are presented in "*Financial Statements*" on page 193.

The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto and in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 327.

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Krishna Institute of Medical Sciences Limited

Annexure - I

Restated Standalone Summary Statement of Assets and Liabilities

INR in Millions

Particulars	Annexure reference	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	VI	716.25	716.25	704.04	88.00	56.11	38.25
Shares to be issued pursuant to Scheme of Arrangement (refer Annexure XXX - Note 8)	VI.7	-	-	-	-	-	12.75
Reserves and surplus	VII	2,695.50	2,524.71	1,906.32	2,279.37	1,904.96	1,868.12
		3,411.75	3,240.96	2,610.36	2,367.37	1,961.07	1,919.12
Non-current liabilities							
Long-term borrowings	VIII A	1,885.33	1,958.09	1,732.27	1,976.22	1,997.61	1,599.46
Deferred tax liabilities (net)	IX	463.79	454.99	420.93	385.37	321.96	240.38
Other long-term liabilities	X.1	0.09	0.09	0.09	0.09	0.19	0.19
Long-term provisions	X.2	79.24	65.66	50.91	29.46	22.39	15.85
		2,428.45	2,478.83	2,204.20	2,391.14	2,342.15	1,855.88
Current liabilities							
Short-term borrowings	XI A	172.68	104.49	150.12	316.33	262.67	125.36
Trade payables	XII						
- Total outstanding dues of micro enterprises and small enterprises		-	-	0.02	0.05	0.02	0.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises		956.03	730.35	625.76	582.52	571.67	384.31
Other current liabilities	XIII	874.28	952.55	844.23	718.09	1,031.66	1,350.11
Short-term provisions	XIV	34.23	25.90	26.59	9.46	6.18	6.29
		2,037.22	1,813.29	1,646.72	1,626.45	1,872.20	1,866.16
Total equity and liabilities		**7,877.42**	**7,533.08**	**6,461.28**	**6,384.96**	**6,175.42**	**5,641.16**
ASSETS							
Non-current assets							
Fixed assets							
- Property, plant and equipment	XV (A)	5,755.50	4,997.88	4,966.06	4,931.32	4,500.22	4,082.74
- Intangible assets	XV (B)	15.80	14.46	12.74	8.00	3.49	0.61
- Capital work-in-progress	XV (C)	22.86	635.48	23.08	100.55	509.40	738.32
Non-current investments	XVI	219.72	219.72	181.91	153.24	58.87	17.10
Long-term loans and advances	XVII.1	281.14	186.13	186.93	248.78	179.66	157.50
Other non-current assets	XVIII.1	10.90	11.36	7.70	9.14	7.87	23.81
		6,305.92	6,065.03	5,378.42	5,451.03	5,259.51	5,020.08
Current assets							
Inventories	XVIII.3	201.34	153.02	112.68	98.46	98.70	82.09
Trade receivables	XIX	995.68	863.42	616.87	351.44	295.68	287.91
Cash and bank balances	XX	109.71	80.84	67.42	130.16	252.81	114.04
Short-term loans and advances	XVII.2	210.36	299.54	221.52	295.92	206.51	97.81
Other current assets	XVIII.2	54.41	71.23	64.37	57.95	62.21	39.23
		1,571.50	1,468.05	1,082.86	933.93	915.91	621.08
Total assets		**7,877.42**	**7,533.08**	**6,461.28**	**6,384.96**	**6,175.42**	**5,641.16**

Notes:

1. The above statement should be read with the Company overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Standalone Financial Statements in Annexure V and Notes to Restated Standalone Financial Information appearing from Annexure VI to Annexure XXXIII.

Krishna Institute of Medical Sciences Limited

Annexure - II

Restated Standalone Summary Statement of Profit and Loss

INR in Millions

Particulars	Annexure Reference	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue							
Revenue from operations	XXI	3,095.59	5,357.34	4,849.35	3,939.57	3,494.54	2,935.84
		3,095.59	5,357.34	4,849.35	3,939.57	3,494.54	2,935.84
Other income	XXII	14.53	28.24	43.61	40.61	45.17	27.46
Total revenue		**3,110.12**	**5,385.58**	**4,892.96**	**3,980.18**	**3,539.71**	**2,963.30**
Expenses							
Medical consumables and pharmacy items consumed	XXIII.1	741.35	1,300.79	1,187.93	1,039.06	990.01	866.44
Operating expenses	XXIII.2	1,038.85	1,765.37	1,590.98	1,338.81	1,127.39	919.56
Employee benefits expense	XXIV	582.53	911.49	759.26	657.20	546.46	433.74
Finance costs	XXV	147.61	302.47	350.29	328.81	292.48	145.25
Depreciation and amortisation	XV (A) & (B)	189.03	337.70	342.30	309.58	247.22	209.65
Other expenses	XXVI	149.29	255.05	277.76	185.31	194.44	110.61
Total expenses		**2,848.66**	**4,872.87**	**4,508.52**	**3,858.77**	**3,398.00**	**2,685.25**
Restated profit before tax		**261.46**	**512.71**	**384.44**	**121.41**	**141.71**	**278.05**
Restated profit before tax from continuing operations		**261.46**	**512.71**	**384.44**	**121.41**	**153.88**	**277.29**
Income tax expense of continuing operations							
- Current tax		81.88	153.24	105.90	26.49	11.10	56.32
- MAT credit entitlement		-	-	-	(26.49)	(11.10)	(48.02)
- Deferred tax	IX	8.79	34.06	35.56	63.41	99.81	87.04
Restated profit after tax from continuing operations (A)		**170.79**	**325.41**	**242.98**	**58.00**	**54.07**	**181.95**
Restated profit/ (loss) before tax from discontinuing operations		-	-	-	-	(0.16)	0.76
Net loss on disposal of assets and liabilities of discontinuing operations		-	-	-	-	(12.01)	-
Less: Income-tax expense of discontinuing operations							
- Current tax		-	-	-	-	18.19	-
- Deferred tax		-	-	-	-	(18.23)	-
Restated profit after tax from discontinuing operations (B)		-	-	-	-	**(12.13)**	**0.76**
Restated profit after tax (C)=(A)+(B)		**170.79**	**325.41**	**242.98**	**58.00**	**41.94**	**182.71**
Earnings per equity share (face value of INR 10 per share)	XXXII						
Basic earning per share		2.38	4.61	3.45	0.82	0.60	2.65
Diluted earning per share		2.38	4.61	3.45	0.82	0.60	2.60

Notes:

1. The above statement should be read with the Company overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Standalone Financial Statements in Annexure V and Notes to Restated Standalone Financial Information appearing from Annexure VI to Annexure XXXIII.

Krishna Institute of Medical Sciences Limited

Annexure - III

Restated Standalone Summary Statement of Cash Flow

Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
I. Cash flows from operating activities						
Net profit before taxation	261.46	512.71	384.44	121.41	141.71	278.05
Adjustments for operating activities:						
Depreciation and amortisation	189.03	337.70	342.30	309.58	247.22	209.65
(Profit)/ loss on sale of Property, plant and equipment	-	(0.60)	(0.74)	14.37	21.08	0.37
Loss on sale of investment	-	-	-	0.79	-	-
Provision for doubtful receivables	14.18	19.86	14.38	4.99	4.67	3.46
Trade receivables written off	-	-	1.74	6.58	20.30	0.48
Interest income on fixed deposits and loans	(5.75)	(7.15)	(4.63)	(9.78)	(14.83)	(7.83)
Liabilities no longer required written back	-	-	-	-	(5.94)	(0.35)
Interest on income tax refund	-	(2.96)	(9.69)	(4.69)	(1.56)	(0.12)
Dividend from joint venture	-	-	-	(0.26)	(2.30)	(2.95)
Finance costs	147.61	302.47	350.29	328.81	292.48	145.25
Operating profit before working capital changes	**606.53**	**1,162.03**	**1,078.09**	**771.80**	**702.83**	**626.01**
Adjustments for:						
(Increase) in trade receivables	(146.44)	(266.42)	(281.55)	(67.32)	(32.74)	(39.62)
(Increase)/ decrease in inventories	(48.32)	(40.34)	(14.22)	0.24	(16.61)	(9.24)
Decrease / (increase) in loans and advances	(26.85)	(85.78)	21.69	(13.85)	(36.34)	(84.38)
Increase / (decrease) in liabilities and provisions	266.15	128.73	84.30	(2.77)	294.61	(79.19)
Cash generated from operations	**651.07**	**898.22**	**888.31**	**688.10**	**911.75**	**413.58**
Income taxes paid, net	(113.13)	(114.42)	5.36	(120.67)	(113.64)	(82.03)
Net cash provided by operating activities (A)	**537.94**	**783.80**	**893.67**	**567.43**	**798.11**	**331.55**
II.Cash flows from investing activities						
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, capital advances and capital creditors	(290.65)	(987.71)	(327.93)	(765.02)	(678.37)	(851.64)
Proceeds from sale of property, plant and equipment	-	0.83	1.86	43.53	130.40	0.96
Investment in subsidiaries and associate	-	(37.61)	(28.66)	(96.40)	(39.78)	(2.07)
Proceeds from sale investments	-	-	1.24	-	-	-
Bank deposits (having original maturity of more than three months), net	-	30.68	(33.13)	159.87	(100.27)	29.57
Dividend from joint venture	-	-	-	0.26	2.30	
Share of income from joint venture	-	-	-	-	-	2.95
Interest received	5.09	7.50	1.04	20.31	7.71	5.40
Net cash used in investing activities (B)	**(285.56)**	**(986.31)**	**(385.58)**	**(637.45)**	**(678.01)**	**(814.83)**
III.Cash flows from financing activities						
Repayment of long-term borrowings	(325.13)	(657.39)	(518.59)	(780.51)	(988.65)	(309.85)
Proceeds from long-term borrowings	177.71	961.26	419.36	833.63	1,077.06	840.95
Net proceeds/ (repayments) from short-term-borrowings	68.19	(50.11)	(161.72)	53.66	137.31	57.84
Proceeds from issue of shares	-	305.19	-	365.44	-	-
Share issue expenses	-	-	-	(17.13)	-	-
Finance costs paid	(144.92)	(307.62)	(344.38)	(347.45)	(321.20)	(107.05)
Net cash provided by/ (used in) financing activities (C)	**(224.15)**	**251.33**	**(605.33)**	**107.64**	**(95.48)**	**481.89**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	28.23	48.82	(97.24)	37.62	24.62	(1.39)
Cash and cash equivalents at the beginning of the period/year	80.04	31.22	128.46	90.84	66.22	67.61
Cash and cash equivalents at the end of the period/year [refer Annexure XX]	**108.27**	**80.04**	**31.22**	**128.46**	**90.84**	**66.22**

Notes:

1. The above statement should be read with the Company overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Standalone Financial Statements in Annexure V and Notes to Restated Standalone Financial Information appearing from Annexure VI to Annexure XXXIII.

Krishna Institute of Medical Sciences Limited

Annexure - I

Restated Consolidated Summary Statement of Assets and Liabilities

INR in Millions

Particulars	Annexures	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	VI	716.25	716.25	704.04	88.00	56.11	38.25
Shares to be issued pursuant to Scheme of Arrangement (refer Annexure XXX- Note 6)	VI.7	-	-	-	-	-	12.75
Reserves and surplus	VII	2,726.16	2,548.07	1,929.53	2,296.54	1,907.09	1,872.40
		3,442.41	3,264.32	2,633.57	2,384.54	1,963.20	1,923.40
Minority interest	XXX.7	82.40	73.94	68.48	58.58	53.26	0.03
Non-current liabilities							
Long-term borrowings	VIII A	1,896.86	1,969.72	1,742.26	2,007.40	2,040.59	1,599.45
Deferred tax liabilities (net)	IX	463.78	455.01	420.73	390.46	322.09	240.17
Other long-term liabilities	X.1	2.10	2.10	2.10	0.09	30.68	0.19
Long-term provisions	X.2	83.82	75.14	53.80	30.40	22.39	15.85
		2,446.56	2,501.97	2,218.89	2,428.35	2,415.75	1,855.66
Current liabilities							
Short-term borrowings	XI A	174.67	116.76	166.24	334.63	267.24	115.38
Trade payables	XII						
- Total outstanding dues of micro enterprises and small enterprises		-	-	0.02	0.05	0.02	0.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,012.08	784.37	668.43	616.65	603.79	385.66
Other current liabilities	XIII	891.99	974.98	872.47	736.55	1,055.41	1,374.47
Short-term provisions	XIV	38.55	29.91	29.14	12.53	6.63	6.29
		2,117.29	1,906.02	1,736.30	1,700.41	1,933.09	1,881.89
Total equity and liabilities		**8,088.66**	**7,746.25**	**6,657.24**	**6,571.88**	**6,365.30**	**5,660.98**
ASSETS							
Non-current assets							
Fixed assets							
- Property, plant and equipment	XV A	6,053.73	5,164.31	5,127.89	5,098.18	4,674.19	4,082.60
- Intangible assets	XV B	15.95	14.64	12.97	8.19	3.82	0.61
- Capital work-in-progress	XV C	22.87	636.02	23.89	100.55	509.40	746.42
Goodwill on consolidation		4.30	4.30	4.30	3.25	2.42	-
Non-current investments	XVI	145.99	142.52	108.76	85.01	0.07	23.31
Deferred tax assets (net)	IX	9.16	10.95	7.30	-	-	-
Long-term loans and advances	XVII.1	328.34	203.66	214.52	261.72	190.88	158.89
Other non-current assets	XVIII.1	10.90	11.36	7.70	9.14	7.87	23.81
		6,591.24	6,187.76	5,507.33	5,566.04	5,388.65	5,035.64
Current assets							
Inventories	XVIII.3	213.89	164.09	123.08	112.53	115.79	82.11
Trade receivables	XIX	1,037.71	916.11	664.73	373.28	304.21	287.87
Cash and bank balances	XX	116.24	84.15	68.49	141.35	271.14	116.83
Short-term loans and advances	XVII.2	76.93	324.71	225.98	320.67	211.88	99.30
Other current assets	XVIII.2	52.65	69.43	67.63	58.01	73.63	39.23
		1,497.42	1,558.49	1,149.91	1,005.84	976.65	625.34
Total assets		**8,088.66**	**7,746.25**	**6,657.24**	**6,571.88**	**6,365.30**	**5,660.98**

Notes:

1. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Krishna Institute of Medical Sciences Limited

Annexure - II

Restated Consolidated Summary Statement of Profit and Loss

INR in Millions

Particulars	Annexure	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue							
Revenue from operations	XXI	3,277.62	5,671.38	5,118.17	4,196.78	3,510.31	2,937.56
Other income	XXII	11.56	27.93	45.70	41.90	67.01	29.40
Total revenue		**3,289.18**	**5,699.31**	**5,163.87**	**4,238.68**	**3,577.32**	**2,966.96**
Expenses							
Medical consumables and pharmacy items consumed	XXIII.1	788.32	1,384.95	1,258.22	1,118.85	992.54	866.45
Operating expenses	XXIII.2	1,091.56	1,871.55	1,680.17	1,430.67	1,132.46	920.84
Employee benefits expense	XXIV	615.34	979.75	807.23	692.32	556.48	434.52
Finance costs	XXV	149.24	306.86	358.14	337.51	297.33	145.18
Depreciation and amortisation	XV (A) & (B)	196.51	351.34	354.98	322.67	247.45	209.66
Other expenses	XXVI	164.96	277.02	296.11	195.38	204.21	112.87
Total expenses		**3,005.93**	**5,171.47**	**4,754.85**	**4,097.40**	**3,430.47**	**2,689.52**
Restated profit before tax		**283.25**	**527.84**	**409.02**	**141.28**	**146.85**	**277.44**
Restated profit before tax from continuing operations		**283.25**	**527.84**	**409.02**	**141.28**	**159.02**	**276.68**
Income-tax expense of continuing operations							
- Current tax		89.61	162.36	106.31	28.96	10.72	56.36
- MAT credit entitlement		-	-	-	(28.04)	(11.16)	(48.02)
- Deferred tax	IX	10.56	30.63	22.97	68.37	103.73	87.03
Restated profit after tax from continuing operations (A)		**183.08**	**334.85**	**279.74**	**71.99**	**55.73**	**181.31**
Restated profit/ (loss) before tax from discontinuing operations		-	-	-	-	(0.16)	0.76
Net loss on disposal of assets and liabilities of discontinuing operations		-	-	-	-	(12.01)	-
Less: Income-tax expense of discontinuing operations							
- Current tax		-	-	-	-	18.19	-
- Deferred tax		-	-	-	-	(18.23)	-
Restated profit after tax from discontinuing operations (B)		**-**	**-**	**-**	**-**	**(12.13)**	**0.76**
Restated profit after tax (C)=(A)+(B)		**183.08**	**334.85**	**279.74**	**71.99**	**43.60**	**182.07**
Add: Share of net profit/(loss) of Associate	XXX.7	3.47	(3.75)	(1.25)	(8.36)	13.85	7.51
Less: Share of minority interest	XXX.7	(8.46)	(5.54)	(12.34)	(7.55)	(0.11)	-
Restated profit after tax		**178.09**	**325.56**	**266.15**	**56.08**	**57.34**	**189.58**
Earnings per equity share (face value of INR 10 per share)	XXXII						
Basic earning per share		2.49	4.61	3.78	0.80	0.82	2.75
Diluted earning per share		2.49	4.61	3.78	0.80	0.82	2.70

Notes:

1. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Krishna Institute of Medical Sciences Limited

Annexure - III

Restated Consolidated Summary Statement of Cash Flow

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
I. Cash flows from operating activities						
Net profit before taxation	283.25	527.84	409.02	141.28	146.85	277.44
Adjustments:						
Depreciation and amortisation	196.51	351.34	354.98	322.67	247.45	209.66
(Profit)/ loss on sale of Property, plant and equipment	-	(0.82)	(0.72)	14.42	21.08	0.37
Loss on sale of investment in joint venture	-	-	-	0.79	-	-
Provision for doubtful receivables	14.01	20.36	16.28	4.99	4.67	3.46
Trade receivables written off	-	-	1.48	6.58	20.30	0.48
Interest income on fixed deposits and loans	(1.51)	(3.66)	(4.64)	(10.54)	(19.23)	(7.83)
Liabilities no longer required written back	-	-	-	-	(6.91)	(0.35)
Interest on income tax refund	-	(2.96)	(9.69)	(4.69)	(1.56)	(0.12)
Finance costs	149.24	306.86	358.14	337.51	297.33	145.18
Operating profit before working capital changes	**641.50**	**1,198.96**	**1,124.85**	**813.01**	**709.98**	**628.29**
Adjustments for:						
(Increase) in trade receivables	(135.61)	(271.74)	(309.21)	(80.64)	(31.52)	(39.85)
(Increase)/ decrease in inventories	(49.80)	(41.01)	(10.55)	3.26	(16.69)	(9.26)
Decrease / (increase) in loans and advances	91.20	(95.17)	47.00	(17.17)	(29.61)	(87.60)
Increase / (decrease) in liabilities and provisions	264.48	152.18	107.46	51.01	245.31	(76.58)
Cash generated from operations	**811.77**	**943.22**	**959.55**	**769.47**	**877.47**	**415.00**
Income taxes paid, net	(116.73)	(127.73)	(5.01)	(130.52)	(99.90)	(68.74)
Net cash provided by operating activities (A)	**695.04**	**815.49**	**954.54**	**638.95**	**777.57**	**346.26**
II. Cash flows from investing activities						
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, capital advances and capital creditors	(423.46)	(1,003.37)	(348.36)	(857.86)	(687.48)	(854.28)
Proceeds from sale of fixed assets	-	3.18	1.88	43.79	130.38	0.96
Investment in subsidiaries and associate	-	(37.51)	(28.56)	(96.30)	1.21	(0.95)
Proceeds from sale of investment in joint venture	-	-	-	1.24	-	-
Bank deposits (having original maturity of more than three months), net	-	30.12	(33.13)	175.40	(100.54)	29.57
Advance for purchase of shares	-	-	-	-	-	2.00
Interest received	1.60	7.53	1.08	21.01	12.11	5.40
Proceeds from issue of shares by subsidiary	-	-	-	-	-	0.03
Net cash used in investing activities (B)	**(421.86)**	**(1,000.05)**	**(407.09)**	**(712.72)**	**(644.32)**	**(817.27)**
III. Cash flows from financing activities						
Repayment of long-term borrowings	(335.31)	(679.45)	(541.92)	(814.76)	(995.78)	(309.85)
Proceeds from long-term borrowings	179.54	975.18	420.09	858.11	1,077.06	840.95
Net proceeds/ (repayment) of short-term borrowings	60.61	(53.97)	(163.90)	67.39	138.55	47.86
Proceeds from issue of shares	-	305.19	-	365.44	-	-
Share issue expenses	-	-	(17.13)	-	-	-
Finance costs paid	(146.58)	(311.88)	(351.95)	(356.40)	(325.99)	(107.04)
Net cash provided by/ (used in) financing activities (C)	**(241.74)**	**235.07**	**(654.81)**	**119.78**	**(106.16)**	**471.92**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	31.44	50.51	(107.36)	46.01	27.09	0.91
Cash and cash equivalents at the beginning of the period/year	82.80	32.29	139.65	93.64	69.01	68.10
Opening cash balance of subsidiary	-	-	-	-	(2.46)	-
Cash and cash equivalents at the end of the period/year (refer Annexure XX)	**114.24**	**82.80**	**32.29**	**139.65**	**93.64**	**69.01**

Notes:

1. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Observations made by our Auditors

Our Auditors have made the following observations and matters of emphasis in terms of the Companies (Auditor's Report) Order, 2003 (applicable for fiscal years 2012, 2013 and 2014), the Companies (Auditor's Report) Order, 2015 (applicable for fiscal year 2015) and the Companies (Auditor's Report) Order, 2016 (applicable for fiscal year 2016). For details, see Annexure V of our Restated Standalone Financial Statements on page 204 and Annexure V of our Restated Consolidated Financial Statements on page 270.

Fiscal Year	***Observation / Matter of Emphasis***	***Responses / Corrective steps taken by our Company***
Fiscal Years 2013, 2014 and 2015	The Company purchases certain items of inventory and fixed assets for its specialised requirements. Certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations. There are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets, as well as with regard to the sale of pharmacy items and services. There is no continuing failure to correct major weakness in the internal control system.	The Company has robust internal control systems and processes to track such purchases. From time to time, the Company evaluates various suppliers for purchases with a view to derisk itself.
Fiscal Years 2013 and 2014	Transactions made in pursuance of certain contracts and arrangements during the year, exceeding ₹ 0.50 million in value, were made at reasonable prices having regard to the prevailing market prices at the relevant time, except for certain services availed for the Company's specialised requirements for which suitable alternative sources were not available to obtain comparable quotations.	The Company has robust internal control systems and processes to track such transactions and ensure fairness of terms of contracts.
Fiscal Years 2013, 2014, 2015, 2016 and 2017	While there was a slight delay in payment of income tax, luxury tax, service tax, professional tax, employee state insurance dues and provident fund dues, as applicable, no undisputed amounts were unpaid for a period of more than six months from the date on which they became payable.	The Company had paid all such statutory dues along with costs associated with delayed payment, as applicable. The Company continues to focus on training at corporate and branch levels for payment of statutory dues in a timely manner by improving the internal processes for tracking payment of statutory dues.
Fiscal Years 2013, 2014, 2015, 2016 and 2017	Certain amounts in relation to luxury tax, sales tax, value added tax and service tax, as applicable, were not deposited on account of pending disputes in relation thereto.	The Company is contesting these demands and our management believes that these demands are not sustainable at higher / appellate court levels. Accordingly these dues have been reflected as contingent liabilities of the Company for the relevant financial year. Appropriate action will be taken based on the order passed by competent authorities in the appeals filed by the Company.
Fiscal Years 2013, 2014, 2015	There were minor delays in payment of principal and interest amounts on certain term loans.	The Company has paid all principal and interest amounts to financial institutions. The marginal delays in payment were on account of large capital expenditure and a slight delay in completion of the project within expected timelines.
Fiscal Year 2014	Short-term funds amounting to ₹ 89.26 million were used for long-term purposes.	The Company had used short-term funds for long-term purposes due to exigencies on account of on-going capital expenditure. The Company had subsequently arranged for long-term funding.
Fiscal Year 2013	Pursuant to a scheme of arrangement, the Company had included in 'Surplus i.e., balance in Statement of Profit and Loss', net profit of	The necessary adjustments were carried out as per the order of the High Court

	Bollineni Heart Centre Limited amounting ₹ 37.66 Million and Bollineni Ramanaiah Memorial Hospital Private Limited amounting ₹ 24.98 Million Fiscal Year 2012. The financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for Fiscal Year 2012 were audited by other auditors who had expressed an unmodified opinion on those financial statements.	pursuant to the scheme of arrangement.

THE OFFER

The following table summarises the Offer details:

Offer[(1)]	**Up to [●] Equity Shares aggregating up to ₹ [●] million**
Of which:	
Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹ 500 million
Offer for Sale[(2)] *by:*	
IAF	Up to 13,772,631 Equity Shares aggregating up to ₹ [●] million
EIF	Up to 1,268,534 Equity Shares aggregating up to ₹ [●] million
Dr. Bhaskar Rao Bollineni	Up to 1,520,000 Equity Shares aggregating up to ₹ [●] million
Rajyasri Bollineni	Up to 1,050,000 Equity Shares aggregating up to ₹ [●] million
Seenaiah Bollineni	Up to 300,000 Equity Shares aggregating up to ₹ [●] million
Dr. Rajendra Kumar Premchand	Up to 300,000 Equity Shares aggregating up to ₹ [●] million
Sitaram Prasad Gogineni	Up to 242,872 Equity Shares aggregating up to ₹ [●] million
Dr. Manas Kumar Panigrahi	Up to 160,000 Equity Shares aggregating up to ₹ [●] million
Jayanthi Gavini	Up to 60,000 Equity Shares aggregating up to ₹ [●] million
Gavini Satyanarayana	Up to 40,000 Equity Shares aggregating up to ₹ [●] million
Dr. Pyar Ali Jiwani	Up to 20,000 Equity Shares aggregating up to ₹ [●] million
Dr. Garipalli Ravikanth	Up to 20,000 Equity Shares aggregating up to ₹ [●] million
Employee Reservation Portion[(3)]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares
The Net Offer consists of:	
A. QIB Portion[(4)]	[●] Equity Shares
Of which:	
Anchor Investor Portion*	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
C. Retail Portion[(4)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	71,624,596 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of this Offer	For details of use of proceeds of the Offer, see "*Objects of the Offer*" on page 94.

* *Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 406.*

(1) The Offer has been authorised by a resolution of our Board dated January 24, 2017 and by a special resolution of our shareholders passed at the EGM held on March 21, 2017.

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent / authorisation
IAF	13,772,631	June 22, 2017
EIF	1,268,534	June 22, 2017

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent / authorisation
Dr. Bhaskar Rao Bollineni	1,520,000	December 1, 2017
Rajyasri Bollineni	1,050,000	December 1, 2017
Seenaiah Bollineni	300,000	June 28, 2017
Dr. Rajendra Kumar Premchand	300,000	February 15, 2017
Sitaram Prasad Gogineni	242,872	November 30, 2017
Dr. Manas Kumar Panigrahi	160,000	November 30, 2017
Jayanthi Gavini	60,000	November 30, 2017
Gavini Satyanarayana	40,000	November 30, 2017
Dr. Pyar Ali Jiwani	20,000	February 15, 2017
Dr. Garipalli Ravikanth	20,000	February 15, 2017

Each of the Selling Shareholders, severally and not jointly, confirm that their portions of the Offered Shares are eligible to be offered for sale in accordance with the SEBI ICDR Regulations and have been held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

(3) Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount, if applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR. Further, a Bidder bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids. For further details, see "*Offer Structure*" on page 400.

GENERAL INFORMATION

Our Company was incorporated as 'Jagjit Singh and Sons Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra on July 26, 1973 at Mumbai. Our Company changed the location of its registered office from the State of Maharashtra to the erstwhile State of Andhra Pradesh, pursuant to an order dated January 29, 2003 by the Company Law Board, Western Region Bench, Mumbai ("**Order**") and the registration of the Order vide certificate of registration dated February 21, 2003 by the RoC (then the Registrar of Companies, Andhra Pradesh). Subsequently, the name of our Company was changed to 'Krishna Institute of Medical Sciences Private Limited', pursuant to a letter of approval from the Central Government dated January 2, 2004 and a fresh certificate of incorporation issued by the RoC on January 2, 2004. Further, pursuant to the conversion of our Company to a public limited company, our name was changed to 'Krishna Institute of Medical Sciences Limited' and the RoC issued a fresh certificate of incorporation on January 29, 2004. For further details and details of changes in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 148.

Registration Number: 040558

Corporate Identity Number: U55101TG1973PLC040558

Registered and Corporate Office

D. No. 1-8-31/1, Minister's Road
Secunderabad – 3
Telangana 500 003, India
Telephone: +91 40 4418 6000
Facsimile: +91 40 2784 0980
Website: www.kimshospitals.com

For details of change in the registered office of our Company, see "*History and Certain Corporate Matters – Changes in our registered office*" on page 148.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad, situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068.

Board of Directors

The following table sets out the details regarding our Board:

Name	Designation	DIN	Address
Krishnaiah Bollineni	Non-executive Chairman	00025094	D. No. 8-2-546/2, Road No. 7, Banjara Hills, Hyderabad 500 034, Telangana, India.
Dr. Bhaskar Rao Bollineni	Managing Director and CEO	00008985	300A, Road No-12, MLA Colony, Banjara Hills, Hyderabad 500 034, Telangana, India.
Anitha Dandamudi	Whole-time Director	00025480	Plot No. 1240, Road No. 62, Jubilee Hills, Hyderabad 500 033, Telangana, India.
Padmanabhaiah Jankiramiah Kantipudi	Independent Director	02970629	8-2-684/1/14, Road no. 12, near Kankadurga Temple, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India.
Jyothi Prasad	Independent Director	06947488	A-903, Jagat Vidya CHS, near Gurunanak Hospital, Bandra East, Mumbai 400 051, Maharashtra, India.
Amitabha Guha	Independent Director	02836707	DL-182, Salt Lake, Sector II, Bidhannagar (East), North 24 Parganas, Kolkata 700 091, West Bengal, India.
Rajeswara Rao Gandu	Independent Director	05339318	Villa No. 34, Lumbini SLN Springs, Gachibowli, Hyderabad 500 032, Telangana. India.

Name	Designation	DIN	Address
Sanjeev Sehrawat	Non-executive (Nominee) Director*	02887484	Flat No. 1201, 12th Floor, Akruti Nova-A-Building, Saiwadi, N S Phadke Road, Andheri East, Mumbai 400 069, Maharashtra, India.

**Nominee of IAF*

For brief profiles and further details of our Directors, see "*Our Management*" on page 162.

Chief Financial Officer

Vikas Maheshwari is the Chief Financial Officer of our Company. His contact details are as follows:

D. No. 1-8-31/1, Minister's Road
Secunderabad – 3,
Telangana 500 003, India
Telephone: +91 40 4418 6437
Facsimile: +91 40 2784 0980
E-mail: cfo@kimshospitals.com

Company Secretary and Compliance Officer

Uma Shankar Mantha is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

D. No. 1-8-31/1, Minister's Road
Secunderabad,
Telangana 500 003, India
Telephone: +91 40 4418 6433
Facsimile: +91 40 2784 0980
E-mail: cs@kimshospitals.com

Selling Shareholders

The Selling Shareholders in the Offer are:

1. India Advantage Fund - S3 I
2. Emerging India Fund
3. Dr. Bhaskar Rao Bollineni
4. Rajyasri Bollineni
5. Seenaiah Bollineni
6. Dr. Rajendra Kumar Premchand
7. Sitaram Prasad Gogineni
8. Dr. Manas Kumar Panigrahi
9. Jayanthi Gavini
10. Gavini Satyanarayana
11. Dr. Pyar Ali Jiwani
12. Dr. Garipalli Ravikanth

Investor Grievances

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

Book Running Lead Managers

Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India **Telephone:** + 91 22 4325 2183 **Facsimile:** +91 22 4325 3000 **E-mail:** kims.ipo@axiscap.in **Investor grievance E-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Ankit Bhatia **SEBI Registration No.:** INM000012029	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House, Off. CST Road Kalina, Mumbai 400 098 Maharashtra, India **Telephone**: +91 22 4009 4400 **Facsimile**: +91 22 4086 3610 **E-mail:** kims.ipo@edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Nishita John/ Jay Mehta **SEBI Registration No.:** INM0000010650
ICICI Securities Limited# ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India **Telephone:** +91 22 2288 2460 **Facsimile:** +91 22 2282 6580 **E-mail:** kims.ipo@icicisecurities.com **Investor grievance E-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Rupesh Khant / Shekher Asnani **SEBI Registration No.:** INM000011179	

 # I-VEN is the investment manager of IAF and EIF. I-VEN and ICICI Securities Limited are wholly owned subsidiaries of ICICI Bank Limited and hence 'associates' within the meaning of the SEBI Merchant Bankers Regulations. ICICI Securities Limited has signed the due diligence certificate and has been disclosed as a Book Running Lead Manager for the Offer. However, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and the proviso to Regulation 5(3) of the SEBI ICDR Regulations, ICICI Securities Limited would be involved only in the marketing of the Offer.

Statement of inter-se allocation of responsibilities among the BRLMs

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

S. no.	Activities	Responsibility	Coordination
1.	Due diligence of our Company's operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and	Axis, Edel	Axis

S. no.	Activities	Responsibility	Coordination
	approval of all statutory advertisements		
2.	Capital structuring with the relative components and formalities such as composition of debt and equity	Axis, Edel	Axis
3.	Appointment of Banker(s) to the Issue	Axis, Edel	Axis
4.	Appointment of Advertising Agency including co-ordination for agreements to appoint the Ad Agency	Axis, Edel	Axis
5.	Appointment of Registrar including co-ordination for agreements to appoint the Registrar	Axis, Edel	Axis
6.	Appointment and co-ordination with the printer	Axis, Edel	Edel
7.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure.	Axis, Edel	I-Sec
8.	International institutional marketing including coordinating for research briefing, allocation of investors for meetings and finalize roadshow schedules, preparation and finalisation of the road-show presentation and FAQs	Axis, I-Sec, Edel	I-Sec
9.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalizing road show schedules	Axis, I-Sec, Edel	Axis
10.	Non-Institutional Marketing of the offer	Axis, I-Sec, Edel	Edel
11.	Retail Marketing, which will cover, inter alia: • Formulating marketing strategies; • Preparation of publicity budget, finalizing Media and PR strategy. • Finalizing centres for holding conferences for brokers; • Finalizing collection centres; and • Follow-up on distribution of publicity and Offer material including quantum of form, prospectus and Offer material.	Axis, I-Sec, Edel	Edel
12.	Coordination with Stock Exchanges for book building process, filing of letters including for software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to DSE	Axis, Edel	Axis
13.	Post bidding activities including management of Escrow Accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.	Axis, Edel	Edel
14.	Post-issue activities, which shall involve essential follow-up steps including allocation to anchor Investors, follow-up with bankers to the issue and SCSBs to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, SCSBs including responsibility for underwriting arrangements, as applicable.	Axis, Edel	Edel
15.	Payment of the applicable STT on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance(No. 2) Act, 2004	Axis, Edel	Edel
16.	Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post Offer reports including the Initial and final Post Offer report to SEBI	Axis, Edel	Edel
17.	Filing of media compliance report to SEBI	Axis, Edel	Edel

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Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Luthra & Luthra
Law Offices
1st and 9th Floors,
Ashoka Estate
Barakhamba Road
New Delhi 110 001, India
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909

Legal Counsel to the BRLMs as to Indian Law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013, Maharashtra
Telephone: +91 22 2496 4455
Facsimile: +91 22 2496 3666

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032, India
Telephone: +91 40 6716 2222
Toll free number: 1800 3454 001
Facsimile: +91 40 2343 1551
E-mail: kims.ipo@karvy.com
Investor Grievance E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Banker(s) to the Offer / Escrow Collection Bank(s) / Refund Bank(s) / Public Offer Account Bank

[●]

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or such other websites as updated from time to time. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders and Designated Intermediaries, refer to the above-mentioned link.

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Collection Centres, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Collection Centres, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Syndicate SCSB Branches

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

Statutory Auditors to our Company

B S R & Associates LLP, Chartered Accountants
Salarpuria Knowledge City
Orwell, 6th Floor, Unit-3
Sy No. 83/1, Plot No. 2 Raidurg
Hyderabad 500 081
Telephone: +91 40 7182 2000
Facsimile: +91 40 7182 2399
E-mail: vsomani@bsraffiliates.com
ICAI Firm Registration Number: 116231W/ W-100024
Peer Review Number: 009059

Bankers to our Company

Andhra Bank
Specialized Corporate Finance Branch
Ground Floor, 6-3-891 & 892, The Belvedere
Raj Bhavan Road, Somajiguda
Hyderabad 500 082, India
Telephone: +91 40 2342 1174/77
Facsimile: +91 40 2342 1176
E-mail: bm1006@andhrabank.co.in
Website: www.andhrabank.in
Contact Person: T. Arvind Kumar

Syndicate Bank
Corporate Finance Branch
6-3-666, First Floor
Lumbini Towers, Somajiguda
Hyderabad 500 082, India
Telephone: +91 40 2331 1374
Facsimile: +91 40 2332 2060
E-mail: syndcorp@gmail.com
Website: www.syndicatebank.in
Contact Person: Pravin D. Kabra

Vijaya Bank
Corporate Banking Branch
6-3-652, Somajiguda
Hyderabad 500 082, India
Telephone: +91 40 2331 0890
Facsimile: -
E-mail: vb4193@vijayabank.com
Website: www.vijayabank.com
Contact Person: Ramakrishna Balasa

Grading of the Offer

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

Monitoring Agency

Since the proceeds from the Fresh Issue are less than ₹ 1,000 million, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilisation of the proceeds of the Offer. We will disclose the utilisation of the proceeds of the Offer under a separate head along with details, if any in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Offer in our balance sheet for the relevant Fiscal Years.

Expert

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

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Auditors namely B S R & Associates LLP, to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports, both dated November 27, 2017, on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, and (b) certificate dated December 11, 2017 on the statement of tax benefits available to the Company and its shareholders, which have been included in this Draft Red Herring Prospectus.

Our Company has received written consent from B Naga Bhushan & Co., Chartered Accountants to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate of key performance indicators dated December 11, 2017.

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.

Appraising Entity

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

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

Trustees

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

Book Building Process

"Book building" refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid lot will be decided by our Company and the Investor Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, respectively, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by our Company and the Investor Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

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

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Investor Selling Shareholders 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 at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see "*Offer Structure*" and "*Offer Procedure*" on pages 400 and 406 respectively.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer.

In accordance with the SEBI ICDR Regulations, QIBs (other than Anchor Investors) Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to Anchor Investors will be on a discretionary basis.

For further details, see "*Offer Structure*" and "*Offer Procedure*" on pages 400 and 406 respectively.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see "*Offer Procedure*" on page 406.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Draft Red Herring Prospectus, the Red Herring Prospectus and in the respective form;

- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "*Offer Procedure*" on page 406). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your PAN, DP ID and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client ID;
- Ensure correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will have to be submitted to the Designated Intermediaries in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission of the ASBA Forms to the Designated Intermediaries to ensure that the ASBA Form submitted by the ASBA Bidders is not rejected.
- Bids by all Bidders (except Anchor Investors) shall be submitted only through the ASBA process.

For further details, see the "*Offer Procedure*" on page 406.

Illustration of Book Building Process and Price Discovery Process

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

For an illustration of the Book Building Process and price discovery process, see *"Offer Procedure – Part B – General Information Document for Investing in Public Issues – Basis of Allocation - Illustration of the Book Building and Price Discovery Process"* on page 444.

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

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations.

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

The above-mentioned is indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

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

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

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate nominal value	Aggregate value at Offer Price
A)	**AUTHORISED SHARE CAPITAL**		
	95,000,000 Equity Shares	950,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER**		
	71,624,596 Equity Shares	716,245,960	
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Public offer of up to [●] Equity Shares comprising:		
	a) Fresh Issue of up to [●] Equity Shares	[●]	[●]
	b) Offer for sale of up to 13,772,631 Equity Shares by IAF[(b)]	137,726,310	[●]
	c) Offer for sale of up to 1,268,534 Equity Shares by EIF[(b)]	12,685,340	[●]
	d) Offer for sale of up to 1,520,000 Equity Shares by Dr. Bhaskar Rao Bollineni	15,200,000	[●]
	e) Offer for sale of up to 1,050,000 Equity Shares by Rajyasri Bollineni	10,500,000	[●]
	f) Offer for sale of up to 300,000 Equity Shares by Seenaiah Bollineni	3,000,000	[●]
	g) Offer for sale of up to 300,000 Equity Shares by Dr. Rajendra Kumar Premchand	3,000,000	[●]
	h) Offer for sale of up to 242,872 Equity Shares by Sitaram Prasad Gogineni	2,428,720	[●]
	i) Offer for sale of up to 160,000 Equity Shares by Dr. Manas Kumar Panigrahi	1,600,000	[●]
	j) Offer for sale of up to 60,000 Equity Shares by Jayanthi Gavini	600,000	[●]
	k) Offer for sale of up to 40,000 Equity Shares by Gavini Satyanarayana	400,000	[●]
	l) Offer for sale of up to 20,000 Equity Shares by Dr. Pyar Ali Jiwani	200,000	[●]
	m) Offer for sale of up to 20,000 Equity Shares by Dr. Garipalli Ravikanth	200,000	[●]
	n) Employee Reservation Portion of up to [●] Equity Shares	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	[●]
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	779,629,789	
	After the Offer	[●]	

(a) The Offer has been authorised by our Board pursuant to its resolution dated January 24, 2017 and by our shareholders pursuant to their resolution dated March 21, 2017.

(b) The Selling Shareholders, severally and not jointly, confirm that the portions of the Equity Shares offered by each of the Selling Shareholders are eligible for the Offer in accordance with the SEBI ICDR Regulations. See "*The Offer*" on page 64 for details of consents provided by the Selling Shareholders for their respective portions of the Offer for Sale. The Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated December 11, 2017.

Changes in our Authorised Share Capital

For details in relation to the changes in the authorised share capital of our Company, see "*History and Certain Corporate Matters - Amendments to our Memorandum of Association*" on page 150.

Notes to Capital Structure

1. Share Capital History

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and his family members. Subsequently, in February 2003, the entire equity share capital of our Company (then 'Jagjit Singh and Sons Private Limited') was acquired by certain of our Promoters, namely Dr. Bhaskar Rao, Krishnaiah Bollineni and BRMH, along with certain other persons and entities. We have been unable to trace the complete set of corporate resolutions and filings in relation to changes in our issued, subscribed and paid up share capital from incorporation till February 2003. The relevant documents are also not available at the office of the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad (which included inspection of filings of the Company available with the Registrar of Companies, Maharashtra, at Mumbai), as certified by IKR & Associates, Company Secretaries pursuant to their certificate dated June 26, 2017 (the **"RoC Search Report"**), based on the search performed by them. For further details, see *"History and Certain other Corporate Matters"* on page 148 and "*Risk Factors – We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to February 2003.*" on page 23.

Consequently, disclosures in relation to changes in our issued, subscribed and paid up share capital from incorporation till January 1987 and from July 26, 2002 to November 15, 2002 have been made in reliance of the minutes of the meetings of our board of directors, to the extent available.

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

Date of allotment	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
July 26, 1973	100	100	100	Cash	Subscription to the MoA(1)	100	10,000
July 15, 1974	6,500	100	100	Cash	Preferential allotment(2)	6,600	660,000
March 25, 1975	7,640	100	100	Cash	Preferential allotment(3)	14,240	1,424,000
January 30, 1976	500	100	100	Cash	Preferential allotment(4)	14,740	1,474,000
July 31, 1976	850	100	100	Cash	Preferential allotment(5)	15,590	1,559,000
December 27, 1976	1,950	100	100	Cash	Preferential allotment(6)	17,540	1,754,000
March 30, 1977	450	100	100	Cash	Preferential allotment(7)	17,990	1,799,000
July 6, 1978	2,010	100	100	Cash	Preferential allotment(8)	20,000	2,000,000
March 3, 1979	4,500	100	100	Cash	Preferential allotment(9)	24,500	2,450,000
Pursuant to a resolution of our shareholders dated January 5, 1994, the face value per equity share was sub-divided from ₹ 100 to ₹ 10 and accordingly, 24,500 issued equity shares of our Company of ₹ 100 each were split into 245,000 Equity Shares of our Company of ₹ 10 each.							
As at February 15, 2003, the paid up share capital of our Company was ₹ 2,450,000 divided into 245,000 Equity Shares. The issued, subscribed and paid-up share capital as per the balance sheet of our Company as at March 31, 2003 was ₹ 2,450,000 divided into 245,000 Equity Shares. Further, the cumulative issued equity share capital as per the memorandum of understanding and agreement of takeover dated August 22, 2002 and the share transfer deeds issued in February 2003 was ₹ 2,450,000 divided into 245,000 Equity Shares, as well.							
March 29, 2004	696,000	10	95	Cash	Preferential allotment(10)	941,000	9,410,000
March 31, 2005	218,500	10	95	Cash	Preferential allotment(11)	1,159,500	11,595,000
September 14, 2005	733,535*	10	95	Cash	Preferential allotment(12)*	1,893,035	18,930,350
December 30, 2006	5,260	10	95	Cash	Preferential allotment(13)	1,898,295	18,982,950
March 29,	375,200	10	121	Cash	Preferential	2,273,495	22,734,950

2007					allotment(14)		
April 12, 2008	49,685	10	95	Cash	Preferential allotment(15)	2,323,180	23,231,800
February 2, 2009	580,795	10	-	Bonus	Bonus issue in the ratio of 1:4 for Equity Shares held as on January 31, 2009(16) ^	2,903,975	29,039,750
August 14, 2009	97,560	10	205	Cash	Preferential allotment(17)	3,001,535	30,015,350
November 26, 2009	534,194	10	728.20	Cash	Preferential allotment(18)	3,535,729	35,357,290
November 27, 2009	15,106	10	728.20	Cash	Preferential allotment(19)	3,550,835	35,508,350
March 26, 2010	274,649	10	728.20	Cash	Preferential allotment(20)	3,825,484	38,254,840
June 27, 2013	1,275,300	10	-	Other than cash	Allotment pursuant to the 2012 Scheme(21)	5,100,784	51,007,840
October 9, 2013	510,078	10	-	Bonus	Bonus issue in the ratio of 1:10 for Equity Shares held as on September 30, 2013(22) ^	5,610,862	56,108,620
June 26, 2014	228,247	10	1,425.81	Cash	Preferential allotment(23)	5,839,109	58,391,090
October 17, 2014	27,879	10	1,434.72	Cash	Preferential allotment(24)	5,866,988	58,669,880
January 21, 2015	2,933,494	10	-	Bonus	Bonus issue in the ratio of 1:2 for Equity Shares held as on November 29, 2014(25) ^	8,800,482	88,004,820
August 19, 2015	8,800,482	10	-	Bonus	Bonus issue in the ratio of 1:1 for Equity Shares held as on June 24, 2015(26) ^	17,600,964	176,009,640
January 20, 2016	52,802,892	10	-	Bonus	Bonus issue in the ratio of 3:1 for Equity Shares held as on December 23, 2015(27)^	70,403,856	704,038,560
December 14, 2016	328,000	10	250	Cash	Preferential allotment(28)	70,731,856	707,318,560
January 24, 2017	892,740	10	250	Cash	Preferential allotment(29)	71,624,596	716,245,960

[*] The allotment was made to more than 49 persons, in violation of provisions relating to a public offering of securities under the Companies Act, 1956. We had filed an application with the Regional Director, South East Region, Hyderabad / NCLT seeking to compound the aforesaid violation and have paid the applicable compounding fee. For details, see "Risk Factors – Our Company had made an allotment of equity shares that was not in compliance with Section 67(3) of the Companies Act, 1956" on page 23 and "Outstanding Litigation and Material Developments – Details of prosecutions filed (whether pending or not); fines imposed or compounding of offences effected in the last five years" on page 363.

*[^] Pursuant to the bonus issue on February 2, 2009, fractional shares aggregating to 15 Equity Shares emerged in respect of certain shareholders, which were allotted to Dr. Bhaskar Rao Bollineni as a trustee on behalf of the equity shareholders entitled to the fractional Equity Shares (such shareholders, the **"Entitled Shareholders"**). Thereafter, pursuant to subsequent bonus issues on October 9, 2013, January 21, 2015, August 19, 2015 and January 20, 2016, bonus shares were issued on the shares allotted to Dr. Bhaskar Rao Bollineni as a trustee on behalf of the Entitled Shareholders. In aggregate, 208 Equity Shares were allotted to Dr. Bhaskar Rao Bollineni as a trustee on behalf of the Entitled Shareholders. The 208 Equity Shares held by Dr. Bhaskar Rao Bollineni in such capacity were transferred to Krishnaiah Bollineni on March 17, 2017, for an aggregate consideration of ₹ 52,000. The consideration has been distributed amongst the Entitled Shareholders by cheques dated March 18, 2017.*

(1) *Based on the original Memorandum of Association and minutes of the meeting of the Board dated July 26, 1973, subscription to the MoA by Sardar Jagjit Singh (50 equity shares) and Vimla Swanni (50 equity shares).*

(2) *Based on minutes of the meeting of the Board dated July 15, 1974, 4,300 equity shares were allotted to Jagjit Singh & Co. Private Limited, 400 equity shares were allotted to Sardar Jagjit Singh, 600 equity shares were allotted to Vimla Swanni, 600 equity shares were allotted to Daljit Singh and 600 equity shares were allotted to Ajit Singh. Our Company has been unable to trace any further records in relation to this allotment.*

(3) *Based on minutes of the meeting of the Board dated March 25, 1975, 4,030 equity shares were allotted to Jagjit Singh & Co. Private Limited, 1,560 equity shares were allotted to Sardar Jagjit Singh, 850 equity shares were allotted to Vimla Swanni, 600 equity shares were allotted to Daljit Singh and 600 equity shares were allotted to Ajit Singh. Our Company has been unable to trace any further records in relation to this allotment.*

(4) *Based on minutes of the meeting of the Board dated January 30, 1976, 250 equity shares were allotted to Sardar Jagjit Singh and 250 equity shares were allotted to Vimla Swanni. Our Company has been unable to trace any further records in relation to this allotment.*

(5) *Based on minutes of the meeting of the Board dated July 31, 1976, read with minutes of the meeting of the Board dated June 10, 1976, 100 equity shares were allotted to Jagjit Singh & Co. Private Limited, 200 equity shares were allotted to Sardar Jagjit Singh, 250 equity shares were allotted to Vimla Swanni, 200 equity shares were allotted to Daljit Singh and 100 equity shares were allotted to Ajit Singh. Our Company has been unable to trace any further records in relation to this allotment.*

(6) *Based on minutes of the meeting of the Board dated December 27, 1976, 840 equity shares were allotted to Sardar Jagjit Singh, 510 equity shares were allotted to Vimla Swanni, 100 equity shares were allotted to Jagjit Singh & Co. Private Limited, 250 equity shares were allotted to Daljit Singh and 250 equity shares were allotted to Ajit Singh. Our Company has been unable to trace any further records in relation to this allotment.*

(7) *Based on minutes of the meeting of the Board dated March 30, 1977, 450 equity shares were allotted to Vimla Swanni. Our Company has been unable to trace any further records in relation to this allotment.*

(8) *Based on minutes of the meeting of the Board dated July 6, 1978, 1,250 equity shares were allotted to Sardar Jagjit Singh, 700 equity shares were allotted to Vimla Swanni and 60 equity shares were allotted to Daljit Singh. Our Company has been unable to trace any further records in relation to this allotment.*

(9) *Based on minutes of the meeting of the Board dated March 3, 1979, 2,500 equity shares were allotted to Sardar Jagjit Singh, 1,500 equity shares were allotted to Vimla Swanni and 500 equity shares were allotted to Daljit Singh. Our Company has been unable to trace any further records in relation to this allotment.*

(10) *403,000 Equity Shares were allotted to B. Seenaiah & Co. (Projects) Limited, 73,500 Equity Shares were allotted to Dr. Padma Srikrishna, 8,400 Equity Shares were allotted to Dr. Radhika Chowdary, 24,300 Equity Shares were allotted to Dr. S. Sahariah, 2,600 Equity Shares were allotted to Dr. P.A. Jiwani, 2,600 Equity Shares were allotted to Dr. Shahida P. Jiwani, 3,100 Equity Shares were allotted to Dr. G. Ravikanth, 8,400 Equity Shares were allotted to Dr. M.B.V. Prasad, 800 Equity Shares were allotted to Dr. M.G. Jayan, 8,400 Equity Shares were allotted to Dr. P. Shiva Shankar, 28,900 Equity Shares were allotted to Dr. K.V. Krishna Kumar, 6,300 Equity Shares were allotted to Dr. K.V. Lakshmi, 4,200 Equity Shares were allotted to Dr. Srinath, 5,200 Equity Shares were allotted to K. Haribabu, 63,000 Equity Shares were allotted to Dr. Rajendra Kumar Premchand, 4,200 Equity Shares were allotted to P. Ravinder Reddy, 10,500 Equity Shares were allotted to ISP Sales (Eastern) Private Limited, 500 Equity Shares were allotted to Phanindra Sahariah, 200 Equity Shares were allotted to Jagat Sahariah, 200 Equity Shares were allotted to Sunandra Sahariah, 300 Equity Shares were allotted to Bipul Sahariah, 300 Equity Shares were allotted to Uday Chandra Barua, 300 Equity Shares were allotted to Shamsauddin Ahmed, 300 Equity Shares were allotted to Hem Ch. Kalita, 300 Equity Shares were allotted to Bhanu Sahariah, 300 Equity Shares were allotted to Bhuddin Ram Sahariah, 300 Equity Shares were allotted to Jitin Sahariah, 300 Equity Shares were allotted to Topeshwar Sahariah, 300 Equity Shares were allotted to Munundra Sahariah, 400 Equity Shares were allotted to Kulen Sahariah, 300 Equity Shares were allotted to Bipin Sahariah, 300 Equity Shares were allotted to Abhiram Rajbansi, 300 Equity Shares were allotted to Gunendra Sahariah, 1,000 Equity Shares were allotted to Rajiv Kumar Srivastava, 1,000 Equity Shares were allotted to Alok Sarkar, 1,000 Equity Shares were allotted to Shankar Sharma, 1,000 Equity Shares were allotted to Ajay Kumar Sharma, 1,000 Equity Shares were allotted to Radhey Shyam Sharma, 5,200 Equity Shares were allotted to Protocol Securities Private Limited, 5,200 Equity Shares were allotted to Sonia Sales Private Limited and 18,300 Equity Shares were allotted to G.V. Lakshmi. The original return of allotment for this allotment filed with the RoC incorrectly recorded the amount of premium payable as ₹ 59,116,000 instead of ₹ 59,160,000. We have subsequently filed a rectified return of allotment with the RoC. See "Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. Further, we have sought for a condonation of delay and compounding from the National Company Law Tribunal, Hyderabad for failure to appoint a company secretary for certain past periods" on page 35.*

(11) 6,400 Equity Shares were allotted to Dr. S. Sahariah, 20,900 Equity Shares were allotted to Dr. A.V. Guruva Reddy, 13,300 Equity Shares were allotted to Dr. A. Bhavani, 21,300 Equity Shares were allotted to Dr. Padma Srikrishna, 31,500 Equity Shares were allotted to C.V. Narsaiah, 3,200 Equity Shares were allotted to Dr. P.A. Jiwani, 5,300 Equity Shares were allotted to Dr. G. Ravikanth, 29,000 Equity Shares were allotted to Dr. K.V. Krishna Kumar, 21,200 Equity Shares were allotted to Dr. Rajendra Kumar Premchand, 1,700 Equity Shares were allotted to Dr. G.V. Lakshmi, 4,200 Equity Shares were allotted to Dr. V. Suresh, 6,700 Equity Shares were allotted to Dr. Vijay Kumar, 8,400 Equity Shares were allotted to A. Subramanyeswara Rao, 8,400 Equity Shares were allotted to Dr. Sudhakar Kanthamaneni, 800 Equity Shares were allotted to Dr. A. Shekhar Reddy, 8,400 Equity Shares were allotted to Dr. T.N.C. Padmanabhan, 1,000 Equity Shares were allotted to Bhadreswari Heamo Dyalysis Centre, 5,200 Equity Shares were allotted to Transimmum, 700 Equity Shares were allotted to Ch. Loka Pavani, 2,500 Equity Shares were allotted to K. Vijay Kumar, 2,500 Equity Shares were allotted to M. Mrudula, 4,500 Equity Shares were allotted to M. Annapurna, 500 Equity Shares were allotted to C. Padmasree, 1,500 Equity Shares were allotted to C. Poshya, 1,000 Equity Shares were allotted to C. Ranga Prakash, 6,300 Equity Shares were allotted to Posh Chemicals Private Limited and 2,100 Equity Shares were allotted to C.S. Ratna Prasad.

(12) 57,405 Equity Shares were allotted to Dr. Bhaskar Rao Bollineni, 398,945 Equity Shares were allotted to B. Seenaiah & Co. (Projects) Limited, 26,050 Equity Shares were allotted to Dr. M. Sambasiva Rao, 2,350 Equity Shares were allotted to Dr. S. Sahariah, 187,365 Equity Shares were allotted to BRMH, 10 Equity Shares were allotted to Dr. A. Bhavani, 15 Equity Shares were allotted to Dr. Padma Srikrishna, 20 Equity Shares were allotted to Dr. Radhika Chowdary, 20 Equity Shares were allotted to Dr. Shahida P. Jiwani, 20 Equity Shares were allotted to Dr. G. Ravikanth, 20 Equity Shares were allotted to Dr. M.B.V Prasad, 40 Equity Shares were allotted to Dr. M.G. Jayan, 20 Equity Shares were allotted to Dr. P. Shiva Shankar, 10 Equity Shares were allotted to Dr. K.V. Lakshmi, 10 Equity Shares were allotted to Dr. Srinath, 60 Equity Shares were allotted to K. Hari Babu, 17,640 Equity Shares were allotted to Rajendra Kumar Premchand, 10 Equity Shares were allotted to P. Ravinder Reddy, 25 Equity Shares were allotted to ISP Sales (Eastern) Private Limited, 25 Equity Shares were allotted to Phanindra Sahariah, 60 Equity Shares were allotted to Jagat Sahariah, 60 Equity Shares were allotted to Sunandra Sahariah, 15 Equity Shares were allotted to Bipul Sahariah, 15 Equity Shares were allotted to Uday Chandra Barua, 15 Equity Shares were allotted to Shamsauddin Ahmed, 15 Equity Shares were allotted to Hem Ch. Kalita, 15 Equity Shares were allotted to Bhanu Sahariah, 15 Equity Shares were allotted to Bhuddin Ram Sahariah, 15 Equity Shares were allotted to Jiten Sahariah, 15 Equity Shares were allotted to Topeshwar Sahariah, 15 Equity Shares were allotted to Munundra Sahariah, 20 Equity Shares were allotted to Kulen Sahariah, 15 Equity Shares were allotted to Bipin Sahariah, 15 Equity Shares were allotted to Abhiram Raj Bansi, 15 Equity Shares were allotted to Gunendra Sahariah, 50 Equity Shares were allotted to Rajiv Kumar Srivastava, 50 Equity Shares were allotted to Alok Sarkar, 50 Equity Shares were allotted to Shankar Sharma, 50 Equity Shares were allotted to Ajay Kumar Sharma, 50 Equity Shares were allotted to Radhey Shyam Sharma, 60 Equity Shares were allotted to Protocol Securities Private Limited, 60 Equity Shares were allotted to Sonia Sales Private Limited, 10 Equity Shares were allotted to V. Suresh, 35 Equity Shares were allotted to Dr. Vijay Kumar, 20 Equity Shares were allotted to A. Subramanyeswara Rao, 50 Equity Shares were allotted to Dr. Sudhakar Kanthamaneni, 40 Equity Shares were allotted to Dr. A. Shekar Reddy, 20 Equity Shares were allotted to Dr. T.N.C. Padmanabhan, 50 Equity Shares were allotted to Bhadreswari Heamo Dyalysis Centre, 60 Equity Shares were allotted to Transimmum, 40 Equity Shares were allotted to Ch. Loka Pavani, 10 Equity Shares were allotted to K. Vijay Kumar, 10 Equity Shares were allotted to M. Mrudula, 20 Equity Shares were allotted to M. Annapurna, 25 Equity Shares were allotted to C. Padmasree, 75 Equity Shares were allotted to C. Poshya, 50 Equity Shares were allotted to C. Ranga Prakash, 15 Equity Shares were allotted to Posh Chemicals Private Limited, 5 Equity Shares were allotted to C.S. Ratna Prasad, 1,680 Equity Shares were allotted to Dr. Husamuddin, 8,420 Equity Shares were allotted to Dr. Narayana, 10,840 Equity Shares were allotted to Dr. V.S.V. Prasad, 10,840 Equity Shares were allotted to Dr. P.V. Chalapati Rao and 10,470 Equity Shares were allotted to Dr. K. Usha Lakshmi Kumari. The original return of allotment filed with the RoC erroneously recorded the number of Equity Shares were allotted as 731,935, instead of 733,535; the nominal amount paid as ₹ 7,319,350 instead of ₹ 7,335,350; the amount of premium as ₹ 62,214,475 instead of ₹ 62,350,475 and erroneously mentioned in the list of allottees annexed to the form that a shareholder 'Dr. Jiwani' had been allotted 20 Equity Shares while no allotment had been made to him. We have subsequently filed a rectified return of allotment with the RoC. See "Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. Further, we have sought for a condonation of delay and compounding from the National Company Law Tribunal, Hyderabad for failure to appoint a company secretary for certain past periods" on page 35.

(13) 5,260 Equity Shares were allotted to Dr. Pillarisetti Raghu Rama.

(14) 117,355 Equity Shares were allotted to Dr. Bhaskar Rao Bollineni, 117,355 Equity Shares were allotted to Sujatha Bollineni, 117,355 Equity Shares were allotted to Seenaiah Bollineni, 2,475 Equity Shares were allotted to K. Hari Babu and 20,660 Equity Shares were allotted to Dr. Pillarisetti Raghu Ram.

(15) 26,315 Equity Shares were allotted to Dr. K. Subba Rao, 21,257 Equity Shares were allotted to Sushrut and 2,113 Equity Shares were allotted to Dr. Sudhakar Kanthamaneni.

(16) Bonus issue of 580,795 Equity Shares pursuant to capitalisation of ₹ 5,807,950 out of the general reserves of our Company. In respect of certain shareholders, pursuant to the bonus issue, fractional Equity Shares emerged aggregating to 15 Equity Shares, which were allotted to Dr. Bhaskar Rao Bollineni, to be held in trust for such shareholders in accordance with a share transfers and allotment committee resolution dated February 2, 2009.

(17) 97,560 Equity Shares were allotted to BRMH.

(18) 534,194 Equity Shares were allotted to IL&FS Trust Company Limited (on account of Milestone Private Equity Fund).

(19) 15,106 Equity Shares were allotted to Milestone Trusteeship Services Private Limited (on account of Milestone Army Trust).

(20) 266,410 Equity Shares were allotted to IL&FS Trust Company Limited (on account of Milestone Private Equity Fund) and 8,239 Equity Shares were allotted to Milestone Trusteeship Services Private Limited (on account of Milestone Army Trust).

(21) Allotment made to 52 persons in accordance with the order of the High Court of Andhra Pradesh (at Hyderabad) (C.P. 99 of 2012) dated December 27, 2012, in respect of the 2012 Scheme, i.e. scheme of arrangement between BRMH (demerged company), Bollineni Heart Center Limited (transferor company), Krishna Institute of Medical Sciences Limited (transferee company) and their respective shareholders. For further details, see "History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on page 152.

(22) Bonus issue of 510,078 Equity Shares pursuant to capitalisation of ₹ 5,100,780 out of the securities premium account of our Company. Pursuant to the bonus issue, fractional Equity Shares emerged in respect of certain shareholders, which were rounded off to the nearest Rupee.

(23) 228,247 Equity Shares were allotted to IDBI Trusteeship Services Limited (on account of IAF).

[24] *27,879 Equity Shares were allotted to IDBI Trusteeship Services Limited (on account of EIF).*

[25] *Bonus issue of 2,933,494 Equity Shares pursuant to capitalisation of ₹29,334,940 out of the securities premium account of our Company.*

[26] *Bonus issue of 8,800,482 Equity Shares pursuant to capitalisation of ₹88,004,820 out of the securities premium account of our Company.*

[27] *Bonus issue of 52,802,892 Equity Shares pursuant to capitalisation of ₹528,028,920 out of the securities premium account of our Company.*

[28] *4,000 Equity Shares were allotted to P.V.N. Raju, 10,000 Equity Shares were allotted to Arunadha Koduri, 20,000 Equity Shares were allotted to Sitaram Prasad Gogineni, 30,000 Equity Shares were allotted to Rupesh Mandava, 5,000 Equity Shares were allotted to V Satti Reddy, 8,000 Equity Shares were allotted to Rajani Kanth Rao Vedula, 9,800 Equity Shares were allotted to Agasti Krishna Reddy, 6,000 Equity Shares were allotted to Vijay Bhaskar Reddy, 9,000 Equity Shares were allotted to Vuppala Vijaya Lakshmi, 6,000 Equity Shares were allotted to Anil Kumar Bilolikar, 10,000 Equity Shares were allotted to Neena Desai, 10,000 Equity Shares were allotted to Venkatrao Madhavrao Ballamudi, 4,000 Equity Shares were allotted to Subhash Premchand Shah, 4,000 Equity Shares were allotted to Ambarkar Venkatesulu, 4,000 Equity Shares were allotted to Abhay S. Jain, 4,000 Equity Shares were allotted to Meena Gandhi, 400 Equity Shares were allotted to Kiran Kumar Voonna, 4,000 Equity Shares were allotted to Chellay Ajay, 10,000 Equity Shares were allotted to Veeravalli Sarath Chandra Mouli, 36,000 Equity Shares were allotted to Srikanth Kolla, 60,000 Equity Shares were allotted to Atluri Naga Deepthi, 20,000 Equity Shares were allotted to Kolla Sri Devi, 28,000 Equity Shares were allotted to Kolla Rama Devi, 6,000 Equity Shares were allotted to Krishna Rao Inturi, 4,800 Equity Shares were allotted to Venkata Rajamannar Kothimbakam, 10,000 Equity Shares were allotted to Dr. T.N.C. Padmanabhan and 5,000 Equity Shares were allotted to Alamandha Sandeep Janardhan.*

[29] *10,000 Equity Shares were allotted to V.S. Srinath, 5,000 Equity Shares were allotted to Gopichand M, 10,000 Equity Shares were allotted to Anumalasetty Sridhar, 2,000 Equity Shares were allotted to Vuppali Nanda Kishore Kumar, 12,000 Equity Shares were allotted to Anupama Chandra Koduri, 46,000 Equity Shares were allotted to Sreedhar Reddy Nagaradona, 4,000 Equity Shares were allotted to Eslavath Ravi, 4,000 Equity Shares were allotted to Amber S Papalkar, 10,000 Equity Shares were allotted to Darshan Jayantilal Rathod, 2,000 Equity Shares were allotted to Swetha Balijepalli, 9,000 Equity Shares were allotted to Latha Sarma, 10,000 Equity Shares were allotted to Jwalasri Kala, 2,000 Equity Shares were allotted to Moparthi Rameshbabu, 4,000 Equity Shares were allotted to Deb Prasun, 2,000 Equity Shares were allotted to Raghu Rajola, 4,000 Equity Shares were allotted to B. Hygriv Rao, 2,000 Equity Shares were allotted to Nagarajan Ramadoss, 1,200 Equity Shares were allotted to Thambura Padmavathi, 4,000 Equity Shares were allotted to Ann Campos, 6,000 Equity Shares were allotted to Ambati Bharathi, 3,200 Equity Shares were allotted to Shitalkumar Surana, 2,000 Equity Shares were allotted to Narasimha Rao, 2,000 Equity Shares were allotted to Bonthu Srinitha, 2,000 Equity Shares were allotted to K Shiva Raju, 4,000 Equity Shares were allotted to Naga Chaitanya Nagarkanti ,2,000Equity Shares were allotted to Tilak Chandrapal Adusumalli, 1,000 Equity Shares were allotted to Vaggu Anand Kumar, 400 Equity Shares were allotted to Bhavadharini Shivakumar, 400 Equity Shares were allotted to Ananthakrishnan Hemalatha Ashwin, 7,200 Equity Shares were allotted to Sita Jaya Lakshmi Sattaluri, 9,800 Equity Shares were allotted to Mohandas Surath, 5,000 Equity Shares were allotted to Kasha Srinivas, 5,000 Equity Shares were allotted to Bommanapalli Pushpalatha Sudhakar, 3,800 Equity Shares were allotted to Garipalli Ravikanth,2,600 Equity Shares were allotted to Meka Prasad,2,600 Equity Shares were allotted to Prathyusha Meka, 5,400Equity Shares were allotted to Garripalli Madhuri, 10,600 Equity Shares were allotted to Chada Rohan Ram Gopal Reddy, 80,000 Equity Shares were allotted to Srinivas Munnuri, 20,000 Equity Shares were allotted to Shridevi Kancherla, 30,000 Equity Shares were allotted to Vijay Mohan Rao Valluri, 2,000 Equity Shares were allotted to Vempati Subhashini, 32,000 Equity Shares were allotted to Chejarta Sesha Srinivasa Raju, 2,200 Equity Shares were allotted to Subrahmanuam Chintalapati, 11,100 Equity Shares were allotted to K CH Subba Rao, 4,000 Equity Shares were allotted to Velicheti Srinivasa Rao, 80,000 Equity Shares were allotted to Sasikala Vasthimal, 48,000 Equity Shares were allotted to Rajendrakumar Premchand Shah (HUF), 10,000 Equity Shares were allotted to Vala Dayasagar Rao, 4,000 Equity Shares were allotted to Sarath Babu Devarkonda, 8,000 Equity Shares were allotted to Tripura Sundaramaba Mallevarapu,4,000 Equity Shares were allotted to Jaishree Patki, 4,000 Equity Shares were allotted to Neerukonda Geetha Nagasree, 44,000 Equity Shares were allotted to Sahariah Sarbeswar, 4,000 Equity Shares were allotted to V. Venkata Ramana Prasad, 2,920 Equity Shares were allotted to Pillarisetti Venkatachalapathi Rao, 2,920 Equity Shares were allotted to Kotha Ushalakshmi Kumari, 2,000 Equity Shares were allotted to Nagasrinivasu CH, 2,000 Equity Shares were allotted to Botta Krishnaveni, 4,000 Equity Shares were allotted to Meka Yanadi Naidu, 4,000 Equity Shares were allotted to G. Rajendra, 4,000 Equity Shares were allotted to Lingam Umadevi, 2,000 Equity Shares were allotted to Naveen Domala, 1,600 Equity Shares were allotted to Jalanila Shiva Krishna, 2,800 Equity Shares were allotted to Yalavarthy Bhavani, 1,200 Equity Shares were allotted to K Pavan Kumar, 1,200 Equity Shares were allotted to Kannepalli Ramanasree, 800 Equity Shares were allotted to Kakumani Ramanasree, 400 Equity Shares were allotted to Talla Ranjitha, 1,400 Equity Shares were allotted to Komula Soundary, 14,000 Equity Shares were allotted to Midde Ajaya Kumar, 2,000 Equity Shares were allotted to Y. Gangadhara Rao, 400 Equity Shares were allotted to Sai Prasad Makala, 800 Equity Shares were allotted to Sushma Nalla, 2,000 Equity Shares were allotted to Sushma Srivastav, 800 Equity Shares were allotted to Pottipochala Laxminarayana, 400 Equity Shares were allotted to Pamulapati Swapna, 4,000 Equity Shares were allotted to Tharakarama Pulicharla, 2,400 Equity Shares were allotted to Parankusham Vidyasagar, 4,000 Equity Shares were allotted to Abdul Fayaz Shaik, 1,600 Equity Shares were allotted to Boggula Srinivas, 800 Equity Shares were allotted to Sama Ashok Reddy, 400 Equity Shares were allotted to S. Lingamaiah Goud, 400 Equity Shares were allotted to S N Goud, 1,600 Equity Shares were allotted to A. Sudarshana Reddy, 2,400 Equity Shares were allotted to K. Sudheer Kumar, 4,400 Equity Shares were allotted to Ranga Rao Javvaji, 2,000 Equity Shares were allotted to Maddinani Saritha, 3,600 Equity Shares were allotted to Vadlamudi Prasad, 20,000 Equity Shares were allotted to Koyagura Balakondaiah, 40,000 Equity Shares were allotted to Vijaya Lakshmi Annadata, 24,000 Equity Shares were allotted to Annadata Kumar Chakravarthy, 70,000 Equity Shares were allotted to S. Vyjayanthi, 40,000 Equity Shares were allotted to Naresh Kumar Reddy Chinnareddyvari, 4,000 Equity Shares were allotted to Narendranath Medha, 2,000 Equity Shares were allotted to Shravan Kumar Reddy Nimma and 6,000 Equity Shares were allotted to Krishna Rao Inturi.*

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

2. ***Shares issued for consideration other than cash or bonus***

Details of Equity Shares issued pursuant to a bonus issue or the 2012 Scheme are as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to the Company
February 2, 2009	580,795	10	-	Bonus issue in the ratio of 1:4	Existing shareholders of the Company as on January 31, 2009	-
June 27, 2013	1,275,300	10	Other than cash	Allotment pursuant to the 2012 Scheme	Allotment made to 52 persons in respect of the 2012 Scheme#	Refer to "*History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets*" on page 152.
October 9, 2013	510,078	10	-	Bonus issue in the ratio of 1:10	Existing shareholders of the Company as on September 30, 2013	-
January 21, 2015	2,933,494	10	-	Bonus issue in the ratio of 1:2	Existing shareholders of the Company as on November 29, 2014	-
August 19, 2015	8,800,482	10	-	Bonus issue in the ratio of 1:1	Existing shareholders of the Company as on June 24, 2015	-
January 20, 2016	52,802,892	10	-	Bonus issue in the ratio of 3:1	Existing shareholders of the Company as on December 23, 2015	-

#For further details, see "History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on page 152.

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

3. *Issue of Equity Shares in the last two preceding years*

For details on the issue of Equity Shares by our Company in the last two preceding years, see "*Notes to Capital Structure – Share Capital History*" on page 76.

4. *History of build-up, Promoters' contribution and lock-in of Promoters' shareholding*

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

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

Name of the Promoter	Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
Dr. Bhaskar Rao Bollineni	February 15, 2003	Transfer from Sardar Ajit Singh, Sardar Jagjit Singh and Rajinder Swanni, joint holders	10,000	Cash	10	95		
	September 14, 2005	Preferential allotment	57,405	Cash	10	95		

Name of the Promoter	Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
	March 21, 2007	Transfer from B. Seenaiah & Company (Projects) Limited	342,105	Cash	10	95		
	March 29, 2007	Preferential allotment	117,355	Cash	10	121		
	April 22, 2007	Transfer from Dr. Rajendra Kumar Premchand	17,640	Cash	10	95		
	February 2, 2009	Bonus issue in the ratio of 1:4	136,126[(1)]	Bonus	10	-		
	May 29, 2009	Transfer from Dr. K. Subba Rao	12,936	Gift	10	-		
	August 1, 2011	Transfer from Dr. M.G. Jayan	1,050	Cash	10	600		
	June 11, 2012	Transfer to IL&FS Trust Company Limited (on account of Milestone Private Equity Fund)	(48,663)	Cash	10	1,150		
	June 11, 2012	Transfer to Milestone Trusteeship Services Private Limited (on account of Milestone Army Trust)	(1,337)	Cash	10	1,149.96		
	June 27, 2013	Allotment pursuant to the 2012 Scheme	852,100	Other than cash	10	-		
	October 9, 2013	Bonus issue in the ratio of 1:10	149,672[(2)]	Bonus	10	-		
	January 21, 2015	Bonus issue in the ratio of 1:2	823,194[(3)]	Bonus	10	-		
	August 19, 2015	Bonus issue in the ratio of 1:1	2,469,583[(4)]	Bonus	10	-		
	January 20, 2016	Bonus issue in the ratio of 3:1	14,817,498[(5)]	Bonus	10	-		
Sub-total			**19,756,664**				**27.58 %**	**[●]%**
Krishnaiah Bollineni	February 15, 2003	Transfer from Vimla Swanni, Sardar Jagit Singh and Sardar Ajit Singh, joint holders	10,000	Cash	10	95		

Name of the Promoter	Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
	March 21, 2007	Transfer from B. Seenaiah & Company (Projects) Limited	530	Cash	10	95		
	February 2, 2009	Bonus issue in the ratio of 1:4	2,632	Bonus	10	-		
	October 9, 2013	Bonus issue in the ratio of 1:10	1,316	Bonus	10	-		
	January 21, 2015	Bonus issue in the ratio of 1:2	7,239	Bonus	10	-		
	August 19, 2015	Bonus issue in the ratio of 1:1	21,717	Bonus	10	-		
	January 20, 2016	Bonus issue in the ratio of 3:1	130,302	Bonus	10	-		
	March 17, 2017	Transfer from Dr. Bhaskar Rao Bollineni (Trustee)(5)	208	Cash	10	250		
Sub-total			**173,944**				**0.24 %**	**[●]%**
Seenaiah Bollineni	March 21, 2007	Transfer from B. Seenaiah & Company (Projects) Limited	263,155	Cash	10	95		
	March 29, 2007	Preferential allotment	117,355	Cash	10	121		
	February 2, 2009	Bonus issue in the ratio of 1:4	95,127	Bonus	10	-		
	June 12, 2012	Transfer to IL&FS Trust Company Limited (on account of Milestone Private Equity Fund)	(48,663)	Cash	10	900		
	June 12, 2012	Transfer to Milestone Trusteeship Services Private Limited (on account of Milestone Army Trust)	(1,337)	Cash	10	900		
	October 9, 2013	Bonus issue in the ratio of 1:10	42,564	Cash	10	-		
	October 17, 2014	Transfer to EIF	(24,000)	Cash	10	1,434.72		
	January 21, 2015	Bonus issue in the ratio of 1:2	222,100	Bonus	10	-		
	August 19, 2015	Bonus issue in the ratio of 1:1	666,301	Bonus	10	-		

Name of the Promoter	Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
	January 20, 2016	Bonus issue in the ratio of 3:1	3,997,806	Bonus	10	-		
Sub-total			**5,330,408**				**7.44%**	[●]%
Dr. Abhinay Bollineni	June 27, 2013	Allotment pursuant to the 2012 Scheme	2,691	Other than cash	10	-		
	October 9, 2013	Bonus issue in the ratio of 1:10	269	Bonus	10	-		
	January 21, 2015	Bonus issue in the ratio of 1:2	1,480	Bonus	10	-		
	August 19, 2015	Bonus issue in the ratio of 1:1	4,440	Bonus	10	-		
	November 30, 2015	Transfer from Sunil Apsingi	1,500	Cash	10	333.33		
	January 20, 2016	Bonus issue in the ratio of 3:1	31,140	Bonus	10	-		
Sub-total			**41,520**				**0.06 %**	[●]%
BRMH	February 15, 2003	Transfer from Sardar Ajit Singh, Sardar Jagjit Singh and Rajinder Swanni, joint holders	17,500	Cash	10	95		
	February 15, 2003	Transfer from Vimla Swanni, Sardar Jagjit Singh and Sardar Ajit Singh, joint holders	32,500	Cash	10	95		
	September 14, 2005	Preferential allotment	187,365	Cash	10	95		
	February 2, 2009	Bonus issue in the ratio of 1:4	59,341	Bonus	10	-		
	August 14, 2009	Preferential allotment	97,560	Cash	10	205		
	October 9, 2013	Bonus issue in the ratio of 1:10	39,427	Bonus	10	-		
	October 17, 2014	Transfer to EIF	(33,640)	Cash	10	1,434.72		
	January 21, 2015	Bonus issue in the ratio of 1:2	200,026	Bonus	10	-		
	August 19, 2015	Bonus issue in the ratio of 1:1	600,079	Bonus	10	-		
	January 20, 2016	Bonus issue in the ratio of 3:1	3,600,474	Bonus	10	-		
Sub-total			**4,800,632**				**6.70 %**	[●]%
Total			**30,103,168**				**42.03 %**	[●]%

*(1) 15 Equity Shares were also allotted to Dr. Bhaskar Rao Bollineni as trustee on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to the share transfers and allotment committee resolution dated February 2, 2009 ("**Entitled Shareholders**").*

(2) 2 Equity Shares were also allotted to Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders, on account of bonus entitlement on the 15 Equity Shares held by Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders.

(3) *9 Equity Shares were also allotted to Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders, on account of bonus entitlement on the 17 Equity Shares held by Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders.*

(4) *26 Equity Shares were also allotted to Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders, on account of bonus entitlement on the 26 Equity Shares held by Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders.*

(5) *156 Equity Shares were also allotted to Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholders, on account of bonus entitlement on the 52 Equity Shares held by Dr. Bhaskar Rao Bollineni as trustee on behalf of the Entitled Shareholder. The 208 Equity Shares held by Dr. Bhaskar Rao Bollineni in such capacity were transferred to Krishnaiah Bollineni on March 17, 2017, for an aggregate consideration of ₹52,000. The consideration has been distributed amongst the Entitled Shareholders by cheques dated March 18, 2017.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such equity shares.

Except as stated below, none of the Equity Shares held by our Promoters are pledged as on the date of this Draft Red Herring Prospectus:

Name of Promoter	Name of Lender	Number of pledged Equity Shares
Dr. Bhaskar Rao Bollineni	Andhra Bank	4,979,418
	Syndicate Bank	632,117
	IDBI (on behalf of Avendus Capital Private Limited)	5,760,770
Krishnaiah Bollineni	Andhra Bank	12,500
Seenaiah Bollineni	Syndicate Bank	243,171
	Pemmasani Suvarchala	200,000

Andhra Bank, Syndicate Bank, IDBI (on behalf of Avendus Capital Private Limited) and Pemmasani Suvarchala have by their consent letters or the terms of agreements, as applicable, subject to certain conditions therein, consented to release the pledge on the aforesaid Equity Shares prior to filing of the Red Herring Prospectus.

b) Shareholding of our Promoters, Promoter Group and directors of our Corporate Promoter, BRMH

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

S No.	Name of shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of pre-Offer capital (%)	No. of Equity Shares	Percentage of post-Offer capital (%)
Promoters					
1.	Dr. Bhaskar Rao Bollineni*	19,756,664	27.58	[●]	[●]
2.	Seenaiah Bollineni	5,330,408	7.44	[●]	[●]
3.	BRMH	4,800,632	6.70	[●]	[●]
4.	Krishnaiah Bollineni	173,944	0.24	[●]	[●]
5.	Dr. Abhinay Bollineni	41,520	0.06	[●]	[●]
Subtotal (A)		*30,103,168*	*42.03*	[●]	[●]
Promoter Group					
1.	Sujatha Bollineni	3,283,136	4.58	[●]	[●]
2.	Rajyasri Bollineni*	3,167,936	4.42	[●]	[●]
3.	Aishwarya Bollineni	2,683,272	3.75	[●]	[●]
4.	Adwik Bollineni	8,128	0.01	[●]	[●]
5.	Dr. Sweata Raavi	1,552	0.00	[●]	[●]
Subtotal (B)		*9,144,024*	*12.77*	[●]	[●]
Total (A+B)		**39,247,192**	**54.80**	**[●]**	**[●]**

* *Also a director on the board of our Corporate Promoter, BRMH.*

All Equity Shares held by our Promoters, members of our Promoter Group, the Offered Shares and at least 50% of Equity Shares held by shareholders other than our Promoters are in dematerialised form.

c) Details of Promoters' contribution locked in for three years

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni, Seenaiah Bollineni, Dr. Abhinay Bollineni and BRMH have, pursuant to their letters dated December 11, 2017, given consent to include such number of Equity Shares held by them as may, in aggregate, constitute 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares* locked-in	Date of transaction#	Face value (₹)	Allotment/ Acquisition price (₹)	Nature of transaction	% of the pre-Offer capital	% of the fully diluted post-Offer Capital
Dr. Bhaskar Rao Bollineni	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Seenaiah Bollineni	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Krishnaiah Bollineni	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Dr. Abhinay Bollineni	[●]	[●]	[●]	[●]	[●]	[●]	[●]
BRMH	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]					[●]	[●]

Equity Shares were fully paid-up on the date of allotment/acquisition.

Our Promoters have confirmed to the Company and the BRLMs that the acquisition of the Equity Shares forming part of the Promoters' Contribution have been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by for this purpose.

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

The Equity Shares that are being locked-in for computation of Promoters' Contribution are not, and will not be, ineligible under Regulation 33 of the SEBI ICDR Regulations. In particular, these Equity Shares do not, and shall not, consist of:

(i) Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus: (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) bonus shares issued out of revaluations reserves or unrealised profits or against equity shares which are otherwise ineligible for computation of promoters' contribution;

(ii) Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Equity Shares issued to the Promoters in the last one year preceding the date of this Draft Red Herring Prospectus upon conversion of a partnership firm; and

(iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

5. *Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, the other members of our Promoter Group, directors of BRMH, our Corporate Promoter or our Directors or*

their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoters, the other members of our Promoter Group, directors of BRMH, our Corporate Promoter, our Directors or their relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

6. ***Details of share capital locked-in for one year***

Except for (a) the Promoters' Contribution which shall be locked in as above and (b) the Equity Shares which are successfully transferred pursuant to the Offer for Sale by the Selling Shareholders, and (c) the Equity Shares held by IAF and EIF, both being VCFs, the entire pre-Offer equity share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoters' Contribution), shall be locked in for a period of one year from the date of Allotment. For the sake of clarity, any unsubscribed portion of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale, other than the Equity Shares offered by IAF and EIF, would also be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoters and or members of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than the Promoters prior to the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in the hands of the transferee, compliance with the provisions of the Takeover Regulations.

The Equity Shares held by our Promoters which are locked-in as per Regulation 36 of the SEBI ICDR Regulations for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that: (i) such pledge of the Equity Shares is one of the terms of the sanction of the loan and (ii) if the Equity Shares are locked-in as Promoter's Contribution, then in addition to the requirement in (i) above, such Equity Shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer.

Lock-in of Equity Shares Allotted to Anchor Investors

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

7. ***Our shareholding pattern***

The table below represents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	**Category of Shareholder (II)**	**Number of Shareholders (III)**	**No. of fully paid up equity shares held (IV)**	**No. of Partly paid-up equity shares held (V)**	**No. of shares underlying Depository Receipts (VI)**	**Total nos. shares held (VII) = (IV)+(V)+ (VI)**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)**	**Number of Voting Rights held in each class of securities (IX)**				**No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)**	**Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of locked in shares (XII)**		**Number of Shares pledged or otherwise encumbered (XIII)**		**Number of equity shares held in dematerialised form (XIV)**
								No of Voting Rights										
								Class	**Class**	**Total**	**Total as a % of (A+B+C)**			**No. (a)**	**As a % of total Shares held (b)**	**No. (a)**	**As a % of total Shares held (b)**	
								Equity	-									
(A)	**Promoter and Promoter Group**	10	39,247,192	-	-	39,247,192	54.80	39,247,192	-	39,247,192	54.80	-	54.80	-	-	14,218,271	19.85	39,247,192
(B)	**Public**	217	32,377,404	-	-	32,377,404	45.20	32,377,404	-	32,377,404	45.20	-	45.20	-	-	62,500	0.09	30,754,285
(C)	**Non Promoter-Non Public**																	
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**227**	**71,624,596**	**-**	**-**	**71,624,596**	**100.00**	**71,624,596**	**-**	**71,624,596**	**100.00**	**-**	**100.00**	**-**	**-**	**14,280,771**	**19.94**	**70,001,477**

8. ***Shareholding of our Directors and Key Managerial Personnel in our Company***

Other than as set forth below, none of the Directors and Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus:

Name	No. of Equity Shares	% of pre-Offer equity share capital (%)
Dr. Bhaskar Rao Bollineni	19,756,664	27.58
Krishnaiah Bollineni	173,944	0.24
Total	**19,930,608**	**27.82**

9. As on the date of this Draft Red Herring Prospectus, our Company has 227 holders of Equity Shares.

10. ***Top 10 shareholders***

(a) Our top 10 equity shareholders and the number of Equity Shares held by them as on the date of filing of this Draft Red Herring Prospectus and as on ten days prior to the filing of this Draft Red Herring Prospectus, are as follows:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer share capital (%)
1.	Dr. Bhaskar Rao Bollineni	19,756,664	27.58
2.	IAF	19,663,728	27.45
3.	Seenaiah Bollineni	5,330,408	7.44
4.	BRMH	4,800,632	6.70
5.	Sujatha Bollineni	3,283,136	4.58
6.	Rajyasri Bollineni	3,167,936	4.42
7.	Aishwarya Bollineni	2,683,272	3.75
8.	EIF	1,811,136	2.53
9.	Rajendra Kumar Premchand	1,458,936	2.04
10.	Dr. S. Sahariah	1,216,280	1.70
	Total	**63,172,128**	**88.19**

(b) Our top 10 Equity Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of Equity Shares held	Percentage of equity holding (%)
1.	Dr. Bhaskar Rao Bollineni*	4,939,166	28.06
2.	IAF	4,915,932	27.93
3.	Seenaiah Bollineni	1,332,602	7.57
4.	Bollineni Ramanaiah Memorial Hospitals Private Limited	1,200,158	6.82
5.	Sujatha Bollineni	820,784	4.66
6.	Rajyasri Bollineni	791,984	4.50
7.	Aishwarya Bollineni	670,818	3.81
8.	EIF	452,784	2.57
9.	Dr. Rajendra Kumar Premchand	349,608	1.99
10.	Dr. S. Sahariah	293,070	1.67
	Total	**15,766,906**	**89.58**

* *Additionally, Dr. Bhaskar Rao Bollineni also held 52 Equity Shares as a trustee on behalf of the Entitled Shareholders. For further details, see "Notes to Capital Structure – History of build-up, Promoters' contribution and lock-in of Promoters' shareholding" on page 82.*

For details relating to the average cost of acquisition of Equity Shares by the Promoters, see "*Risk Factors – Prominent Notes*" on page 45.

11. Our Company does not have any employee stock option schemes.

12. The details of Equity Shares issued by our Company in the last one year preceding the date of filing of this

Draft Red Herring Prospectus which may have been issued at a price lower than the Offer Price are as follows:

S. No.	Number of allotees*	Whether allottee belongs to Promoter Group	Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share	Reason for allotment
1.	27 allottees*	No	December 14, 2016	328,000	10	250	Preferential allotment
2.	97 allottees*	No	January 24, 2017	892,740	10	250	Preferential allotment

* *For details, see "Capital Structure – Notes to Capital Structure – Share Capital History" on page 76.*

13. Our Company, our Directors or the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of the Company.

14. Over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot while finalising the Basis of Allotment.

15. Except for IAF and EIF, associates of I-SEC, neither the BRLMs nor their associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.

16. I-VEN is the investment manager of IAF and EIF. I-VEN and I-SEC are wholly owned subsidiaries of ICICI Bank Limited and hence 'associates' within the meaning of the SEBI Merchant Bankers Regulations. ICICI Securities Limited has signed the due diligence certificate and has been disclosed as a Book Running Lead Manager for the Offer. However, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and the proviso to Regulation 5(3) of the SEBI ICDR Regulations, ICICI Securities Limited would be involved only in the marketing of the Offer.

17. No person connected with the Offer, including, but not limited to, the BRLMs, the Syndicate Members, our Company, the Selling Shareholders, our Subsidiaries, Directors, Promoters or the members of our Promoter Group and Group Companies, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

18. Our Company has not issued any Equity Shares out of its revaluation reserves or unrealized profits since February 2003. To the extent ascertainable from available corporate records and minutes, no equity shares were issued out of revaluation reserves or unrealized profits prior to February 2003.

19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

20. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

21. Pursuant to the 2012 Scheme, our Company was required to allot (i) six Equity Shares to the shareholders of BRMH, for every 13 equity shares in BRMH held by them; and (ii) nine Equity Shares to the shareholders of BHCL, for every 131 equity shares held by them in BHCL. Consequently, on June 27, 2013, our Company allotted an aggregate of 1,275,300 Equity Shares to the shareholders of BRMH and BHCL. Other than such allotment, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Section 232 of the Companies Act, 2013. For further details, see *"History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets"* on page 152.

22. Except for the Fresh Issue, our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participation in such joint ventures.

23. Except for the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

24. As on the date of this Draft Red Herring Prospectus, 11,372,305 Equity Shares held by Dr. Bhaskar Rao Bollineni, 12,500 Equity Shares held by Krishnaiah Bollineni and 443,171 Equity Shares held by Seenaiah Bollineni are pledged in favour of certain lenders. These lenders have, pursuant to their consent letters or the terms of agreements, as applicable, subject to certain conditions therein, consented to release the pledge on the aforesaid Equity Shares prior to filing of the Red Herring Prospectus.

25. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, other members of our Promoter Group, directors of BRMH, our Directors or their relatives may have financed the purchase of securities of our Company by any other person other than in the normal course of business of the financing entity.

26. Our Promoters and the members of our Promoter Group will not submit Bids, or otherwise participate in this Offer, except to the extent of offering the Offered Shares in the Offer for Sale. The Selling Shareholders are collectively offering an aggregate of up to 18,754,037 Equity Shares for sale in the Offer. Other than such offer, the Selling Shareholders will not submit Bids, or otherwise participate in this Offer.

27. This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Investor Selling Shareholders 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 at least one-third will 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 Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

28. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Investor Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Balance Equity Shares arising out of under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

29. The Equity Shares offered pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

31. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

32. Oversubscription to the extent of 10% of the Offer to the public can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.

OBJECTS OF THE OFFER

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

Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell an aggregate of up to 18,754,037 Equity Shares held by them, aggregating up to ₹ [●] million after deducting their proportion of Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale.

Objects of the Fresh Issue

The details of the proceeds of the Fresh Issue are summarized below:

(in ₹ million)

Particulars	Amount
Gross proceeds of the Fresh Issue*	500.00
(Less) Offer related expenses in relation to the Fresh Issue*	[●]
Net Proceeds	[●]

**To be finalised upon determination of the Offer Price.*

After deducting the Offer related expenses in relation to the Fresh Issue, we estimate the proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**"). The objects for which our Company intends to use the Net Proceeds are as follows:

1. Repayment/pre-payment, in full or part, of certain existing loan facilities of our Company; and
2. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing business activities and the activities for which funds are being raised by us through the Fresh Issue.

Requirement of funds

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

(in ₹ million)

Particulars	Amount
Repayment/ pre-payment, in full or part, of certain existing loan facilities of our Company^	400.00
General corporate purposes^	[●]
Total	[●]

^To be finalised upon determination of the Offer Price.

Proposed schedule of implementation and deployment of the Net Proceeds

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

(in ₹ million)

Particulars	Total Estimated Cost*	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal Years 2019
Repayment/ pre-payment, in full or part, of certain existing loan facilities of our Company	400.00	400.00	400.00
General corporate purposes**	[●]	[●]	[●]
Total	[●]	[●]	[●]

** The entire estimated cost is proposed to be met from the Net Proceeds.*
***To be finalised upon determination of the Offer Price. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.*

With respect to object of repayment/ prepayment in full or part, of certain existing loan facilities, in the event that our Company obtains consent from the relevant lenders for prepayment of any of its loans on the terms agreeable to our Company, the deployment of Net Proceeds as set out above for Fiscal Years 2019 shall stand suitably adjusted and modified to the extent of the prepayment of loans by our Company in the respective Fiscal Year. Subject to applicable law, if the actual utilisation towards any of the objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with the SEBI ICDR Regulations.

The above-stated fund requirements and deployment of proceeds for repayment/pre-payment of certain loans are based on our internal management estimates and have not been verified by the BRLMs or appraised by any bank or financial institution or any other independent agency. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the repayment/prepayment schedule at the discretion of our management, subject to compliance with applicable law. For further details, see the "*Risk Factors – The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.*" on page 39.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, we may explore a range of options including utilising internal accruals and availing additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes in accordance with applicable law.

Details of the Objects

1. *Repayment or pre-payment, in full or part, of certain existing loan facilities of our Company*

Our Company has entered into various financing arrangements with banks, financial institutions and other entities. The loan facilities entered into by our Company include borrowings in the form of terms loans, vehicle and equipment loans and fund based and non-fund based working capital facilities. For further details, including indicative terms and conditions of such loan facilities, see "*Financial Indebtedness*" on page 358. As at October 31, 2017, the amount outstanding under the loan facilities entered into by our Company was ₹ 2,723.09 million on a standalone basis.

Our Company proposes to utilize ₹ 400.00 million from the Net Proceeds towards repayment or prepayment, in part or in full, of certain loan facilities availed by our Company. We believe that such repayment/pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our accruals for further investment in our business growth and expansion.

The following table provides details of outstanding term loan and working capital facilities availed by our Company, out of which all or any of the facilities are proposed be to be repaid/pre-paid from the Net Proceeds to the extent of ₹ 400.00 million:

S. no.	**Name of lender**	**Nature of Borrowing**	**Amount**		**Rate of Interest as on October 31, 2017***	**Purpose**	**Repayment schedule**	**Pre-payment charges (if any)**
			Sanctioned (₹ million)	**Outstanding as on October 31, 2017 (₹ million)**				
Facilities availed by our Company								
1.	Andhra Bank	Short term loan	200.00	48.01	9.60% per annum.	For shoring up net working capital of our Company.	Repayable in 29 monthly instalments after a moratorium of 6 months.	2% of the amount prepaid.

S. no.	Name of lender	Nature of Borrowing	Amount		Rate of Interest as on October 31, 2017*	Purpose	Repayment schedule	Pre-payment charges (if any)
			Sanctioned (₹ million)	Outstanding as on October 31, 2017 (₹ million)				
2.	Andhra Bank	Corporate loan	150.00	119.43	9.60% per annum.	To meet regular capital expenditure commitments pertaining to the existing hospital units.	Repayable in 20 quarterly instalments	2% of the amount prepaid.
3.	Syndicate Bank	Term loan	990.00	762.84	10.50% per annum	To meet funding requirements for developing infrastructure for the existing hospitals.	Repayable in 26 quarterly instalments	1) 1% of the amount prepaid, if the prepayment amount is less than 50% of the total instalments amount. 2) 2% of the amount prepaid, if the prepayment amount is more than 50% of the total instalments amount.
4.	Syndicate Bank	Term loan	100.00	34.82	10.50% per annum.	For shoring up net working capital of our Company.	Repayable in 29 equal monthly instalments after a moratorium of six months.	1) 1% of the amount prepaid, if the prepayment amount is less than 50% of the total instalments amount. 2) 2% of the amount prepaid, if the prepayment amount is more than 50% of the total instalments amount.
5.	Federal Bank#	Corporate loan	190.00	182.00##	9.50% per annum.	To fulfil long term working capital requirements	Repayable in 66 equal monthly instalments after a moratorium of 18 months (only interest will be serviced during the moratorium period).	Nil, in case the prepayment is carried out of equity proceeds. In other cases, prepayment penalty will be applicable as per the bank's policy at the time of prepayment.
6.	Vijaya Bank	Term loan	93.50	59.50	10.50% per annum.	To part finance purchase of medical equipment and beds for the hospitals.	Repayable in 22 quarterly instalments.	1.12% on the prepaid amount.

S. no.	Name of lender	Nature of Borrowing	Amount		Rate of Interest as on October 31, 2017*	Purpose	Repayment schedule	Pre-payment charges (if any)
			Sanctioned (₹ million)	Outstanding as on October 31, 2017 (₹ million)				
7.	Vijaya Bank	Mortgage loan	106.50	67.77	10.50% per annum.	To refurnish our hospital situated in Nellore.	Repayable in 22 quarterly instalments	1.12% on the prepaid amount.
8.	Siemens Financial Services Private Limited (**"SFSPL"**)	Equipment loan	6.12	0.80	13.50% per annum.	Equipment loan	Repayable in 48 monthly instalments	4% on prepaid amount/amount outstanding. Partial prepayments are not allowed.
9.	SFSPL	Equipment loan	30.26	3.22	13.50% per annum.	Equipment loan	Repayable in 51 monthly instalments	2% of the principle outstanding for the first two and 1% of the principle outstanding for the next two years. Partial prepayments are not allowed.
10.	SFSPL	Equipment loan	13.55	3.67	11.00% per annum.	Equipment loan	Repayable in 24 monthly instalments	3% for the first year on the prepaid amount and 1% for balance tenor on prepaid amount/amount outstanding. Partial prepayments are not allowed.
11.	SFSPL	Equipment loan	130.00	81.65	12.50% per annum.	Equipment loan	Repayable in 36 monthly instalments	4% on prepaid amount/amount outstanding. Partial prepayments are not allowed.
12.	SFSPL	Equipment loan	4.65	1.26	11.00% per annum.	Equipment loan	Repayable in 24 monthly instalments.	3% for the first year on the prepaid amount and 1% for balance tenor on prepaid amount/amount outstanding. Partial prepayments are not allowed.
13.	Philip India Limited (**"PIL"**)	Deferred payment facility	77.66	52.80	12.00% per annum.	Deferred payment facility for payment of turnkey work undertaken by PIL.	Repayable in 84 monthly instalments.	Nil.
14.	De Lage Landen Financial Services India Private Limited (**"DLL"**)	Equipment loan	100.00	56.16	11.25% per annum.	Equipment loan	Repayable in 42 monthly instalments.	Accrued interest and prepayment fee of 4% on the loan amount to be prepaid.

S. no.	Name of lender	Nature of Borrowing	Amount		Rate of Interest as on October 31, 2017*	Purpose	Repayment schedule	Pre-payment charges (if any)
			Sanctioned (₹ million)	Outstanding as on October 31, 2017 (₹ million)				
15.	Andhra Bank	Open cash credit	236.00	157.08	9.60% per annum.	To meet working capital requirements	Repayable on demand	-
16.	Syndicate Bank	Cash credit	50.00	35.29	10.40% per annum.	To meet working capital requirements	Repayable on demand	-
17.	Vijaya Bank	Cash credit	24.00	4.30	10.50% per annum.	To meet working capital capital requirements	Repayable on demand	-
			2,502.24	**1,670.60**				

* *As certified by B Naga Bhushan & Co. Chartered Accountants, pursuant to certificate dated December 11, 2017.*
\# *This term loan facility (sanctioned amount: ₹ 190.00) was transferred from ICICI Bank to Federal Bank vide term loan agreement dated October 31, 2017.*
\#\# *Outstanding amount as of November 2, 2017.*

Pursuant to a certificate dated December 11, 2017, Chartered Accountants have certified that the above facilities have been utilized for the purposes for which they were sanctioned.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts under the loan facilities identified above may vary from time to time. In addition, we may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from existing facilities. In such cases, we may utilize the Net Proceeds towards repayment/ pre-payment of such additional indebtedness which will be selected based on various commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings, receipt of consents for pre-payment from the respective lenders and applicable law governing such borrowings. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ pre-payment of loans, in part or full, would not exceed ₹ 400.00 million.

We may be required to notify some of our lenders prior to the repayment/ pre-payment, which we shall do prior to such repayment/ pre-payment. Some of our loan agreements and other financing arrangements provide for requirement of prior consent or notice to lender and/or for the levy of prepayment penalties or premiums, which may be dependent on the repayment/ pre-payment being made on dates other than those specified in the relevant documents, to be calculated based on the amount outstanding / being pre-repaid, as applicable. See "*Risk Factors - The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*." on page 39. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds. Payment of such prepayment penalty or premium, if any, shall be made out of Net Proceeds. In the event that Net Proceeds are insufficient for the said payment of prepayment penalty or premiums, such payment shall be made by our Company out of our internal accruals.

2. *General Corporate Purposes*

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, as may be approved by our management, including but not restricted towards strategic initiatives and acquisitions, funding working capital requirements, operating expenses and meeting on-going general corporate exigencies. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include fees payable to the BRLMs and legal counsel, underwriting commission, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses, listing fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses shall be shared by our Company and the Selling Shareholders, as may be mutually agreed amongst them, in accordance with applicable law.

The estimated Offer related expenses are as under:

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer related expenses*	As a % of Offer Size*
1.	Payment to the BRLMs (including brokerage and selling commission)	[●]	[●]	[●]
2.	Commission and processing fees for SCSBs (1)(3)	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs (2) (3)	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Others: i. Listing fees, SEBI filing fees, book building software fees and other regulatory expenses; ii. Printing and stationery expenses; iii. Advertising and marketing for the Offer; iv. Fees payable to legal counsel; and v. Miscellaneous	[●]	[●]	[●]
	Total Estimated Offer related expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalisation of the Offer Price.*
(1) *SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per ASBA Form, for processing the ASBA procured by Designated Intermediaries (other than the SCSBs themselves) from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs.*

(2) *Registered Brokers, RTAs and CDPs will be entitled to bidding charges/uploading charges of ₹ [●] (plus applicable service tax) per valid ASBA Form which are directly procured by them from Retail Individual Bidders and Non-Institutional Bidders, uploaded on the electronic bidding system of the Stock Exchanges and submitted to the SCSBs for processing.*

(3) *Selling commission payable to Members of the Syndicate, SCSBs, RTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders would be as follows:*

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable service tax)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable service tax)*

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

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges/uploading charges of ₹ [●] (plus applicable service tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

The commissions and processing fees shall be payable within [●] Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company or in accordance with the agreements / engagement letters entered into between the Company and the respective intermediaries.

For the avoidance of doubt, all of the above shall be subject to applicable Service Tax, Swachh Bharat Cess and Krishi Kalyan Cess, to the extent applicable.

Appraisal and Bridge Loans

The above fund requirements have not been appraised by any bank or financial institution. Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Means of Finance

The entire requirement of funds towards objects of the Fresh Issue, other than working capital requirements, will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, 2013, we confirm that we shall not use the Net Proceeds (or any part thereof) for buying, trading or otherwise dealing in any shares of any listed company or for any investment in equity markets.

Monitoring of Utilisation of Funds

There is no requirement for the appointment of a monitoring agency, as the Fresh Issue size is less than ₹ 1,000 million. Our Audit Committee shall monitor the utilization of the proceeds of the Offer. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of the unutilized proceeds of the Offer in our balance sheet for the relevant Fiscal Years.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the use and application of the Net Proceeds. Additionally, the Audit Committee shall make recommendations to our Board for further action, if appropriate. Till such time as all the Offer Proceeds have been utilized in full, our Company shall prepare an annual statement, certified by our Statutory Auditors, of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, our Company will furnish a quarterly statement on deviations and variations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus, to the Audit Committee for review, and post such review, submit the statement with the Stock Exchanges in accordance with the SEBI Listing Regulations. This statement would also be published in the newspapers, after placing it before the Audit Committee and its explanation in the Directors' report in the annual report of the Company, in accordance with Regulation 47 and other applicable provisions of SEBI Listing Regulations.

Other Confirmations

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

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue, unless authorised by our shareholders in a general meeting by way of a special resolution. Additionally, the notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act, 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English daily newspaper, one Hindi daily newspaper and one Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office of our Company is located), as per the Companies Act, 2013 and the rules framed there under. Pursuant to the Companies Act, 2013, our Promoters or controlling shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, in accordance with our Articles of Association and as may be prescribed by SEBI.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Investor Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Bidders should also see "*Our Business*", "*Risk Factors*", *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and "*Financial Statements*" on pages 122, 18, 327 and 193, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Ability to provide quality and affordable healthcare;
- Ability to attract and retain high quality doctors, consultants and medical support staff;
- Capability in tertiary and quaternary care specialties;
- Strong and experienced management team;
- Established presence and recognition in Andhra Pradesh and Telangana; and
- Track record of strong financial and operational performance.

For further details, see "*Our Business – Competitive Strengths*" on page 123.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements. For details, see *"Financial Statements"* on page 193.

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

A. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital

As per our Restated Consolidated Financial Statements:

Financial Year / Period ended	Basic*		Diluted*	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	0.80	1	0.80	1
March 31, 2016	3.78	2	3.78	2
March 31, 2017	4.61	3	4.61	3
Weighted Average	**3.70**		**3.70**	
September 30, 2017#	2.49		2.49	

* *Adjusted for issuances of bonus shares on January 20, 2016. For details, see "Capital Structure" on page 76.*
\# *Not Annualized*

Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital

As per our Restated Standalone Financial Statements

Financial Year ended	Basic*		Diluted*	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	0.82	1	0.82	1
March 31, 2016	3.45	2	3.45	2
March 31, 2017	4.61	3	4.61	3
Weighted Average	**3.59**		**3.59**	
September 30, 2017#	2.38		2.38	

* *Adjusted for issuances of bonus shares. For details, see "Capital Structure" on page 76.*
\# *Not Annualized*

NOTES:

1) The ratios have been computed as below:

a) Basic earnings/(loss) per share (INR)	Restated net profit/(loss) after tax for the period / year ended for basic earnings per share
	Weighted average number of equity shares outstanding during the period / year considered for calculating basic earnings per share
b) Diluted earnings/(loss) per share (INR)	Restated net profit/(loss) after tax for the period / year ended for diluted earnings per share
	Weighted average number of equity shares outstanding during the period / year considered for calculating diluted earnings per share

2) The face value of each Equity Share is ₹ 10.

B. Price/Earning ("P/E") ratio in relation to Offer Price of ₹ [●] per Equity Share

Particulars	P/E (Standalone)		P/E (Consolidated)	
	P/E at the Floor Price	P/E at the Cap Price	P/E at the Floor Price	P/E at the Cap Price
P/E ratio based on Basic EPS for the financial year ended March 31, 2017	[●]	[●]	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2017	[●]	[●]	[●]	[●]

C. Industry P/E ratio

Industry P/E#	
Highest	106.28
Lowest	16.56
Industry Composite	67.16

Source: *Price earnings ratio for the peers are computed based on closing market price as on December 08, 2017 of Apollo Hospitals Enterprise Limited, Fortis Healthcare Limited, Narayana Hrudayalaya Limited and Healthcare Global Enterprises Limited as ₹ 1,192.25, ₹146.85, ₹289.25 and ₹ 285.90 per equity share, respectively at BSE (available at www.bseindia.com) divided by Diluted EPS (as disclosed above).*

D. Return on Net Worth ("RoNW")

As per our Restated Consolidated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2015	2.35	1
March 31, 2016	10.11	2
March 31, 2017	9.97	3
Weighted Average	**8.75**	
September 30, 2017*	**5.17**	

** Not Annualized*

As per our Restated Standalone Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2015	2.45	1
March 31, 2016	9.31	2
March 31, 2017	10.04	3
Weighted Average	**8.53**	
September 30, 2017*	**5.01**	

** Not Annualized*

Note*: Return on Net Worth has been computed as Net Profit / (loss) as per Restated Summary Statement of profit and loss divided by Restated net worth at the end of the year / period.*

E. Minimum Return on increased Net Worth required to maintain Pre-Offer EPS for the year ended March 31, 2017

Particulars	At Floor Price	At Cap Price
To maintain pre-Offer Basic EPS		
On Consolidated basis	[●]%	[●]%
On Standalone basis	[●]%	[●]%
To maintain pre-Offer Diluted EPS		
On Consolidated basis	[●]%	[●]%
On Standalone basis	[●]%	[●]%

F. Net Asset Value per Equity Share

Particulars	Consolidated (₹	Standalone (₹
As at March 31, 2017	45.58	45.25
As at September 30, 2017	48.06	47.63
Offer Price	[●]	[●]
After the Offer	[●]	[●]

Note*: Net asset value per share = Restated net worth at the end of the year / period divided by total number of equity shares outstanding at the end of the year / period.*

G. Comparison with Listed Industry Peers

Name of the Company	Revenue from operations and other Income (in ₹ million)	Face Value per Equity Share (₹)	P/E	EPS (Diluted) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Krishna Institute of Medical Sciences Limited[(1)]	5,699.31	10	[●]	4.61	9.97%	45.58
Peer Group [(2)]						
Apollo Hospitals Enterprise Limited	72,773.99	5	75.08	15.88	5.42%	263.64
Fortis Healthcare Limited	47,397.10	10	16.56	8.87	8.79%	99.35
Narayana Hrudayalaya Limited	18,956.47	10	70.72	4.09	8.62%	47.13
Healthcare Global Enterprises Limited	7,097.82	10	106.28	2.69	5.31%	50.47

(1) *Based on Restated Consolidated Financial Statements of our Company for the Fiscal Year 2017, based on Indian GAAP.*
(2) *Based on consolidated financials for the Fiscal Year 2017, based on Ind AS.*

Note:

(a) *Return on Net Worth is calculated as net profit for the period divided by equity attributable to owners of the Company as at the period ended.*

(b) *Net Asset Value per share is calculated as equity attributable to owners of the Company divided by number of equity shares of the company outstanding as on March 31, 2017.*

(c) *Price earnings ratio for the peers are computed based on closing market price as on December 08, 2017 of Apollo Hospitals Enterprise Limited, Fortis Healthcare Limited, Narayana Hrudayalaya Limited and Healthcare Global Enterprises Limited as ₹ 1,192.25, ₹ 146.85, ₹ 289.25 and ₹ 285.90 per equity share, respectively at BSE (available at www.bseindia.com) divided by Diluted EPS (as disclosed above).*

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

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

Investors should read the above mentioned information along with "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages

18, 193 and 327, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To,
The Board of Directors
Krishna Institute of Medical Sciences Limited
1-8-31/1, Minister Road
Secunderabad-500 003
Telangana

Dear Sirs,

Subject: Statement of possible special tax benefits (the "Statement") available to Krishna Institute of Medical Sciences Limited (the "Company") and its shareholders prepared in accordance with the requirement in SCHEDULE VIII - CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations")

We refer to the proposed public issue of equity shares of the Company and enclose the statement showing possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 and Income-tax Rules, 1962 (together "tax laws") presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company or its shareholder may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available and do not cover any general tax benefits available to the Company and to its shareholders. Further, the preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We were informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the "Equity Shares") by the Company (the "Offer"). Neither we are suggesting nor advising the investor to invest money based on this Statement.

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

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

The contents of the enclosed Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

The enclosed annexure is intended solely for your information and for inclusion in the draft red herring prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Offer and in any other material used in connection with the proposed Offer and other than as mentioned above, it is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Vikash Somani
Partner
Membership number: 061272

Place: Hyderabad
Date: December 11, 2017

<u>Annexure to the Statement of Possible Special Tax Benefits available to the Company and to its shareholders</u>

Outlined below are the possible special tax benefits available to the Company and its shareholders under the tax laws in force in India (i.e. applicable for the financial year 2017-18 relevant to the assessment year 2018-19). These possible special tax benefits are dependent of the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

I. <u>Special tax benefits available to the Company</u>

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

'Specified business' for the purpose of Section 35AD includes building and operating of a new hospital with a minimum capacity of 100 beds <u>on or after 1 April 2010</u>.

II. <u>Special tax benefits available to its shareholders of the Company</u>

There are no special tax benefits available to the shareholders of the Company under the Act.

Note:

1 *The above is as per the current tax law as amended by the Finance Act, 2017.*

2 *The above Statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.*

3 *This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*

4 *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

SECTION IV – ABOUT THE COMPANY

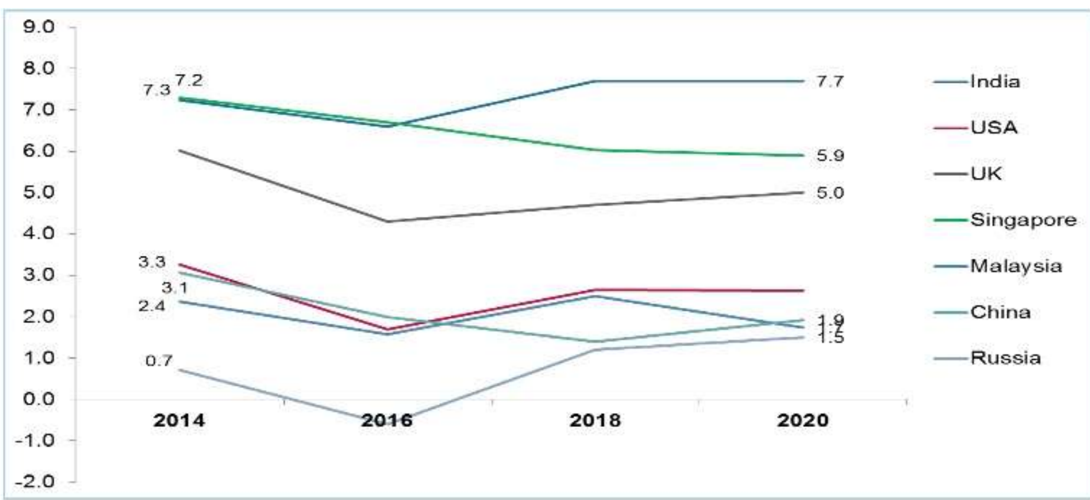
INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including the report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017, prepared by Frost & Sullivan ("**F&S Report**"). The information has not been independently verified by us, the Book Running Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section should be read in conjunction with the "Risk Factors" and "Our Business" on page 18 and 122, respectively.*

Overview of the Indian economy

India is one of the fastest growing economies across the globe. As per the IMF predictions, the Indian economy is poised to grow at 7.7% in 2018, recovering from the post demonetisation effect. Due to the temporary cash crisis following the demonetisation by Indian government in the last quarter of 2016, IMF revised the GDP growth of India in 2016 with a reduction from estimated 7.6% to 6.6%. In spite of the downward revision of India's growth rate and slight increase in the growth rate of China's projections, the Indian economy continues to be the fastest growing economy than the other countries of the world. (*Source: F&S Report*)

Set forth below is a GDP growth (%) of India and other countries:



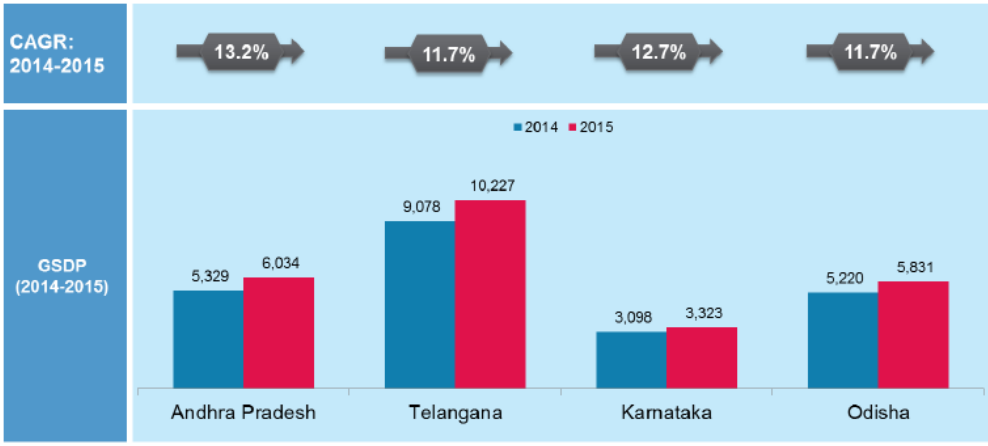
Source: IMF Estimates, 2017, F&S Report

According to the IMF, the Indian economy is poised to be one of the top five economies by 2020, following the robust GDP growth supported by a strong industry base, a growing population, and other socio-demographic factors, as compared to other economies. With steady economic growth, the per capita income of the population as well as the economic stability of the expanding middle class population of India is on the rise. (*Source: F&S Report*)

At the state level, Andhra Pradesh occupies the top rank in the country in terms of the gross state domestic product ("**GSDP**") growth rate contributing nearly 4.3% of India's GDP. (*Source: F&S Report*)

Set forth below is the GSDP of selected states at current prices:

(₹ in billion)



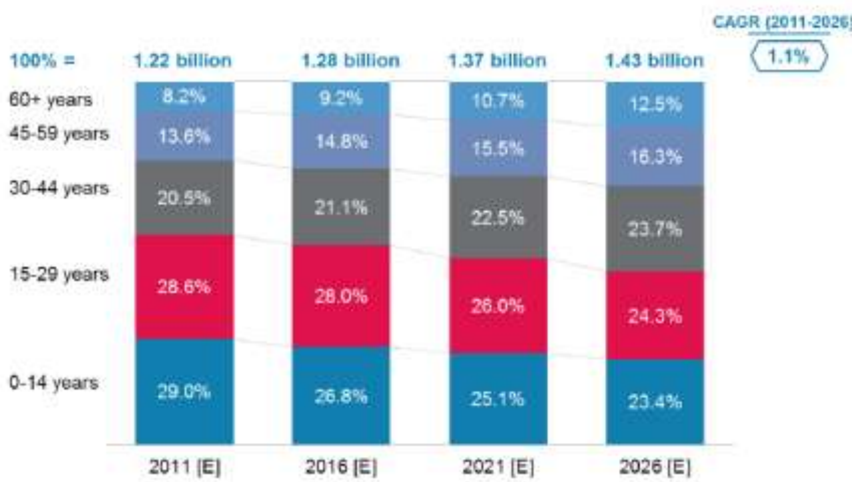
Source: esopb.gov.in, F&S Report

In the year 2015, Andhra Pradesh achieved a growth rate of 13.2% surpassing all other Indian states. During 2015, per capita income in Andhra Pradesh was more than ₹ 0.1 million, which was lower than that in Telangana at ₹ 0.14 million, but above the national average of ₹ 0.09 million, indicating higher affordability. Andhra Pradesh has become a favourable destination for investment in major sectors like technology, healthcare, drug and pharmaceuticals, among others. Following the effect of government policies, Andhra Pradesh and Telangana have been ranked at the top position in 2016 for the ease of doing business among all Indian states. (*Source: F&S Report*)

Overview of the Indian demographic

The population of India is expected to grow at a CAGR of 1.1% between 2011 and 2026. Growing at this rate, India is expected to be home to 1.43 billion people by 2026.

Set forth below is the population and population growth rate of India (historical and expected):



Source: National Commission on Population, F&S Report

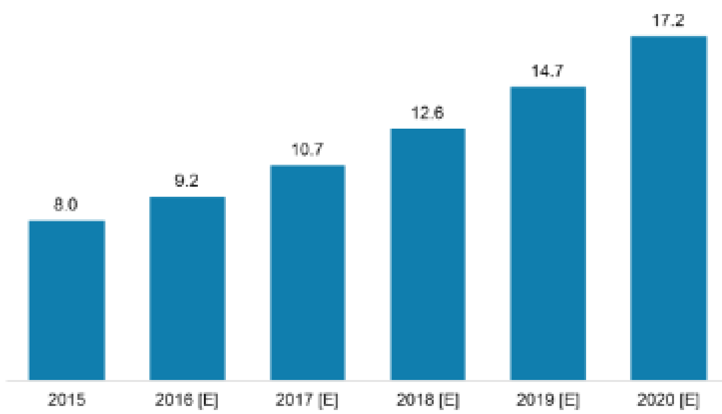
The growing population of India offers a large young population pool between the age group of 15 to 44 years. While, the population of India is considerably young, there is a parallel growing elderly population of more than 60 years of age, expected to grow from 8.2% in 2011 to 12.5% in 2026. This segment is predisposed to various chronic diseases like diabetes, heart diseases and cancer. The burgeoning population of India could pose a serious challenge to healthcare access for all; thus, there is a need for development of healthcare infrastructure in India. *(Source: F&S Report)*

Andhra Pradesh was among the top five most populous states of India after Uttar Pradesh, Maharashtra, Bihar and West Bengal, with 7% of India's population in 2011. Andhra Pradesh has seen a growth of 11% in the last decade, similar to the neighbouring state of Odisha and slightly lower than Karnataka and Tamil Nadu. However, Andhra Pradesh stands out in terms of absolute population size among the neighbouring states. *(Source: F&S Report)*

Overview of the Indian healthcare industry

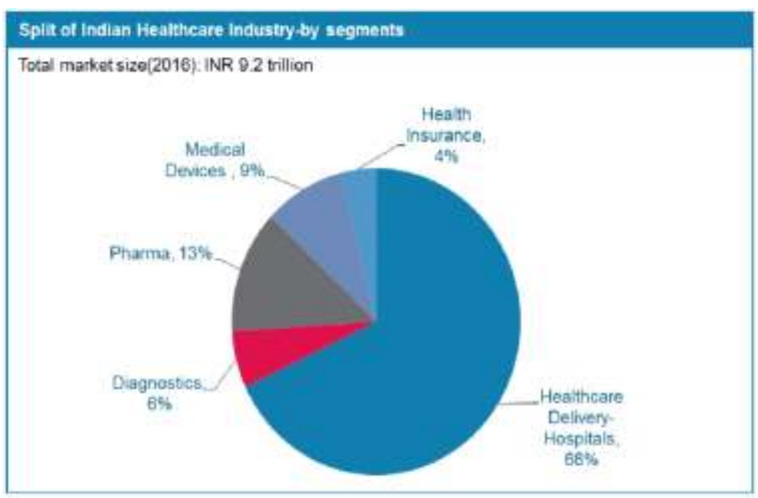
Healthcare industry in India comprises five segments, namely, healthcare delivery industry, pharmaceutical industry, diagnostics industry, healthcare insurance industry and medical devices industry. The overall healthcare market stands at ₹ 9.2 trillion as of 2016 with a historic growth of 14%-15% between 2011 and 2015. Indian healthcare sector is one of the rapidly growing industries, expected to grow at a CAGR of 15%-16% during 2015 to 2020 to reach ₹ 17.2 trillion in 2020. *(Source: F&S Report)*

Set forth below is the Indian healthcare industry size (2017-2020) in ₹ trillion:



Source: F&S Report

Set forth below is the segment wise contribution of the healthcare industry (as of 2016):



Source: F&S Report

Indian healthcare delivery industry

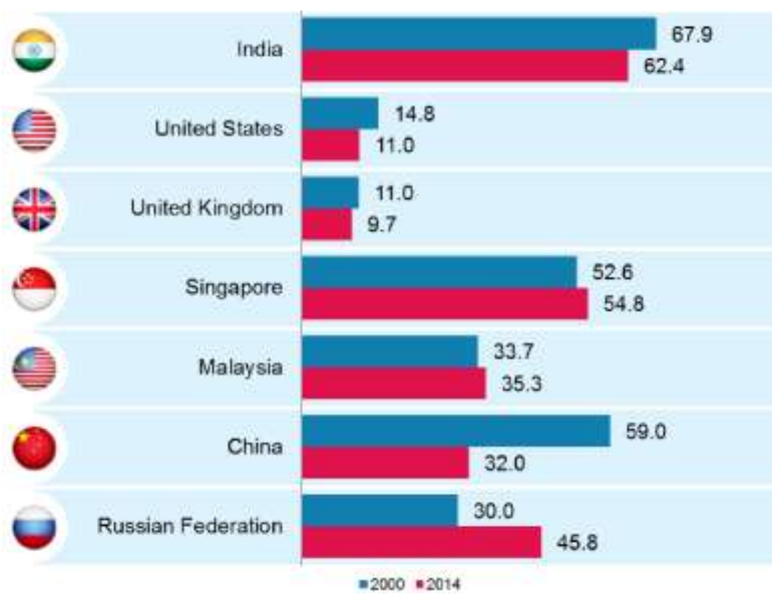
Indian healthcare delivery industry is estimated at a value of ₹ 6.2 trillion in 2016 and is expected to grow at CAGR of 15%-16% between 2016 and 2020 to reach ₹ 12 trillion by 2020. The contribution from healthcare delivery segment is highest at 68% to overall healthcare market size and is estimated to have grown at a CAGR of 14%-15% between 2011 and 2015.Inpatient volumes contribute approximately 80% of the value to healthcare delivery while the remaining portion is contributed by outpatient volumes (which include doctor consultations, day-care surgeries, and diagnostics and exclude pharmaceuticals purchased). *(Source: F&S Report)*

The total healthcare expenditure of India (as a % of GDP) grew from 4.3% in the year 2000 to 4.7% in 2014; which was much lower than the other South Asian countries like Singapore and China. Further, the out-of-pocket spend was 62.4%, which was much higher compared to the USA (11%) and the UK (10%) in 2014. *(Source: F&S Report)*

Set forth below is the healthcare expenditure of India and other countries (as % of GDP):

Source: World Bank 2015, F&S Report

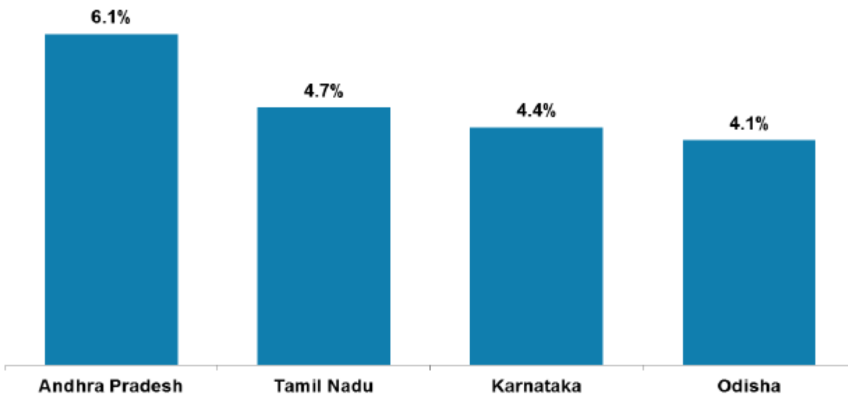
Set forth below is the share of out-of-pocket spend of India and other countries on healthcare (as % of total healthcare expenditure):



Source: WHO Global Health Expenditure database, F&S Report

At the state level, Andhra Pradesh has the highest per capita expenditure on health (2012-13) compared to its neighbouring states. Andhra Pradesh has been attracting investments in various sectors including healthcare following reforms like single window system for state level regulatory approval, online construction permits, automated solutions for environmental and pollution related approvals, which has resulted in growth of established large organized healthcare players in Andhra Pradesh. (*Source: F&S Report*)

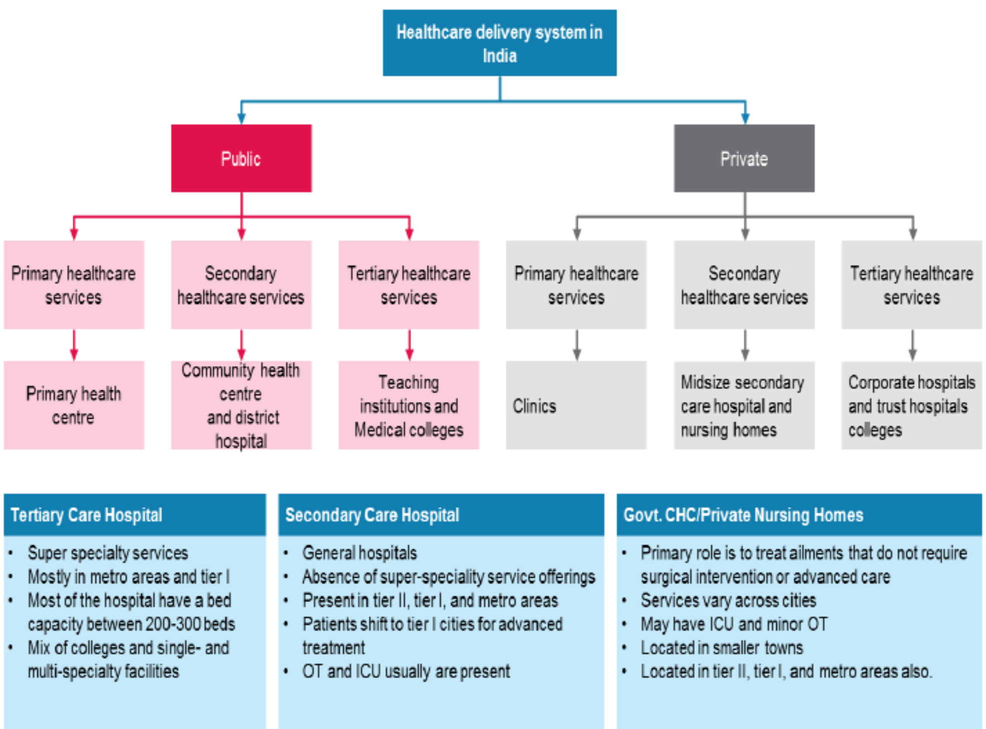
Set forth below is the healthcare expenditure of selected Indian states (as % of total state expenditure):



Source: National Health Profile 2015, F&S Report

Structure of the healthcare industry in India

The healthcare delivery system in India is classified as follows:



Source: F&S Report

- *Primary care facilities:*

  Primary healthcare facilities are the first level of contact between patients with the healthcare system. These include outpatient units, dispensaries and clinics providing basic medical and preventive healthcare facilities. Primary care facilities act as the initial point of contact in the healthcare value chain providing outpatient consultation, routine health screening and vaccinations. Due to limited infrastructure with no ICUs or operation theatres, these act as feeders for secondary or tertiary healthcare centres, where patients are typically referred to for treating complex or chronic ailments. (*Source: F&S Report*)

- *Secondary care facilities:*

  Secondary care facilities are the second tier of the healthcare system which diagnose and treat complex conditions referred from a primary care facilities. These are the second point of contact in the healthcare value chain and can be further sub-categorized into general care and specialty care.

  a. General secondary care hospitals: General secondary care hospitals are smaller hospitals with 50 to 100 beds, focusing on general specialties. The focused specialties include internal medicine, general surgery, OBG, paediatrics, ENT, orthopaedics and ophthalmology. These are primarily the first point of hospital contact for a patient for common ailments, with approximately 10% to 15% of beds dedicated to critical care and other beds categorized as general beds, semi-private beds and private beds.

  b. Specialty secondary care hospitals: Specialty secondary care hospitals usually have a larger infrastructure as compared to general secondary care hospitals, with 100 to 300 beds, 15% to 20% of which are dedicated for critical care. Apart from basic specialties these hospitals provide basic treatment for certain specific specialties like cardiology and gastroenterology. (*Source: F&S Report*)

- *Tertiary care facilities:*

  Tertiary healthcare refers to the third level of the healthcare value system, in which specialized consultative care is provided usually on referral from primary and secondary care facilities. These hospitals may have over 200 beds, 20% to 30% of which are dedicated for critical care. These hospitals provide advanced treatment and diagnostic facilities and offer a spectrum of specialties which typically includes cardiothoracic surgery, neurosurgery, nephrology, surgical oncology, neonatology, endocrinology, plastic and cosmetic surgery, and nuclear medicine.

  Tertiary care facilities can be further divided into single specialty tertiary care hospitals and multispecialty tertiary care hospitals.

  a. Single specialty tertiary care hospitals: These hospitals focus on a single specialty providing end-to-end diagnostic and therapeutic treatment for a selected specialty such as cardiac sciences and oncology.

  b. Multispecialty tertiary care hospitals: These hospitals provide multispecialty care under one roof and treat complex high risk cases along with multi-level trauma cases. (*Source: F&S Report*)

- *Quaternary care facilities:*

  Quaternary care facilities are similar to tertiary care facilities and offer research facilities in addition to providing high-end infrastructure for treatment and diagnosis. These hospitals focus on high-end procedures and complex cases such as cardiothoracic surgeries, complex neurosurgeries, robotic surgeries, organ transplants and oncology. (*Source: F&S Report*)

Operating model and cost structure of hospitals in India

Revenue:

For a private hospital, there are the two main sources of revenue, namely, IPD and OPD. These revenue streams are further divided based on the type of patients, known as payer mix, typically consisting of two types of patients for private hospitals, self pay and insured (private and government insurance schemes). In 2015, the IPD revenue stream accounted for nearly 80% of the healthcare industry whereas OPD accounted for the remaining portion. (*Source: F&S Report*)

Cost:

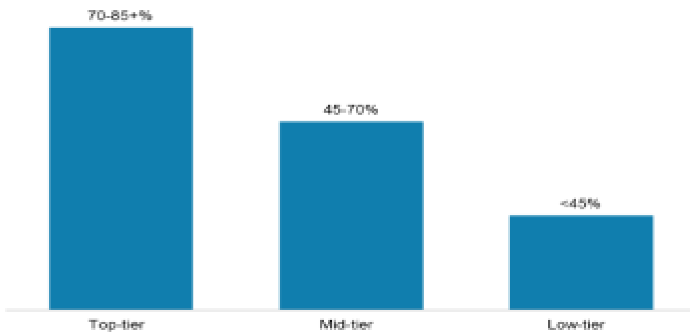
The initial capital required for the hospital for land, building and equipment is a major cost head. The capital expenditure required to build a 150-200 bed multispecialty hospital typically varies from ₹ 6 million to ₹ 8 million per bed (excluding land cost). The cost for secondary care hospital is relatively lower than the cost for a tertiary care hospital with high-end infrastructure. This cost may further vary depending upon the level of infrastructure, equipment and technology used in the hospital. (*Source: F&S Report*)

Bed occupancy ratio (BOR) and average length of stay (ALOS):

BOR and ALOS are sensitive indicators to measure hospital utilization and play a crucial role in determining the financial health of the hospital. In an ideal scenario, higher BOR and a lower ALOS is considered good by hospitals enabling them to achieve better utilization rates and treating more patients at the same time. (*Source: F&S Report*)

In India, the BOR for tier 1 hospitals ranges between 70% to more than 85% and ALOS ranges from 3.5 days to 4.5 days. (*Source: F&S Report*)

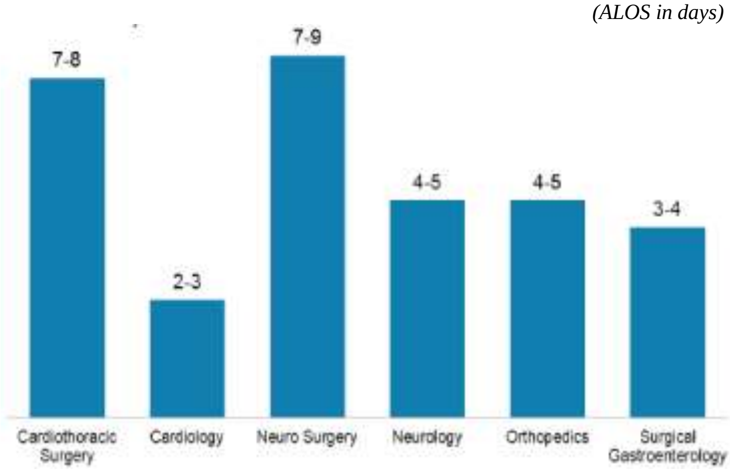
Set forth below is the tier wise BOR of hospital in India:



Source: F&S Report

The ALOS further varies based on the specialty and complexity of the procedure as set forth below. In the initial one to one and a half years of operations, the BOR is 30% to 40% and tends to mature over the next three to four years of the hospital operations. (*Source: F&S Report*)

(ALOS in days)

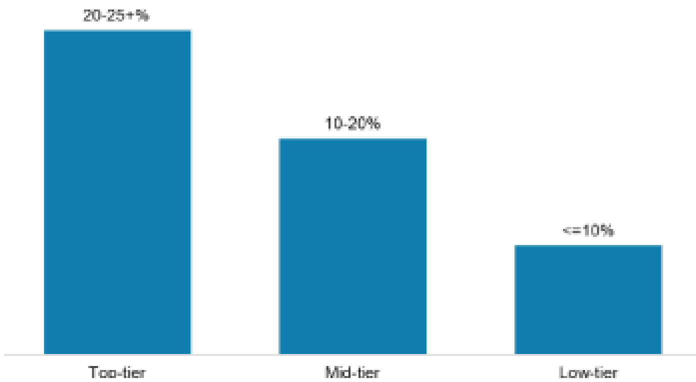


Source: F&S Report

EBIDTA margins:

The operational break-even period for a 150-200 bed multispecialty hospital is nearly two and a half to three and a half years post commencement of its operations. For any hospital, EBIDTA plays a crucial role and helps in determining the earning potential of the business and hospital's current profitability with existing assets and is also a measure of long term profitability. The top-tier EBIDTA margins vary around 20% to more than 25% of total revenue. However, in case of a network or chain of hospitals, a healthy EBIDTA margin is 12% to 18%. Mid-tier EBIDTA margins range from 10% to 20%. (*Source: F&S Report*)

Set forth below is the tier wise EBIDTA margins of hospitals in India (2016):



Source: F&S Report

Outlook on the healthcare industry in India

Valued at ₹ 9.2 trillion in 2016 and expected to reach ₹ 17.2 trillion by 2020, at a CAGR of 16%, the healthcare industry is on the growth curve following a vast growing population, fast growing economy, rising disposable incomes, rapid urbanization, rising health insurance, growth of chronic lifestyle diseases and health awareness. Over the past decade, the Indian healthcare sector has made significant progress as the Government recognized the need to reform, evident in the rising healthcare expenditure from 4.3% in 2000 to 4.7% in 2014. (*Source: F&S Report*)

Private sector healthcare players will play a crucial role, delivering quality healthcare and improving access to healthcare. The high out-of-pocket expenditure of 62.4% in India clearly indicates the dependence on private healthcare and immense opportunities for private healthcare players. In the quest of gaining market share and capturing regional opportunities, many healthcare service providers are pursing consolidation strategies as an inorganic route to expand geographically, venture into other business verticals and to strengthen their position in market. A high degree of consolidation is apparent in the hospitals and clinics segment with large and established players and chains acquiring standalone hospitals. Increasing purchasing power will also create many opportunities for private healthcare delivery players in tier II cities where the demand and supply gap is most significant. (*Source: F&S Report*)

Key growth driver

A combination of demographic and economic factors is expected to drive growth in the healthcare delivery market in India, as described below:

Rising population and population growth

The population of India is growing at a CAGR of 0.9% to reach 1.35 billion by 2020. In 2011, India had a low bed density of 0.7 beds per 1,000 people against the WHO guideline of 3.5 beds per 1,000 people and the global average of 2.7 beds. Further, the increasing life expectancy and reducing infant mortality rate of the population adds up to the growing demand for healthcare services. As of 2012, the share of population aged 54 years and above was nearly 12%, which is expected to be nearly 14% by 2020. (*Source: F&S Report*)

Rising income levels

Majority of the healthcare spend in India is out-of-pocket which creates a challenge for affordability of quality healthcare. However, owing to the growing middle class population with rising income levels and disposable incomes, the demand for quality healthcare and access to healthcare is growing. The disposable income of the Indian population has increased from ₹16,695 in 2000 to ₹82,000 in 2015 and is expected to reach ₹139,258 by 2020 growing at a CAGR of 11% from 2015 to 2020. The demand pattern of the rising middle class population clubbed with rising income levels and demand for better healthcare have opened up a window of opportunities for private healthcare players delivering quality care with sophisticated infrastructure and high levels of clinical excellence. (*Source: F&S Report*)

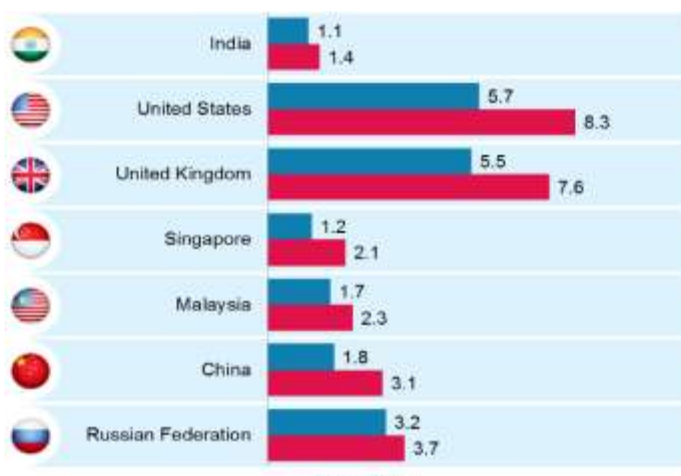
Increasing urbanization and healthcare awareness

According to the World Bank, the levels of urbanization have increased from 31% in 2011 and are expected to be 36% by 2020. In 2015, on an average, about 67% of the Indian population resided in rural areas and the balance 33% in urban areas. Urbanization alters the distribution of healthcare services mainly because of demand. The shift of population from rural to urban areas increases the access to healthcare and simultaneously the awareness for healthcare services. Moreover, the higher income levels in urban areas create better affordability for healthcare services. Also, owing to urbanization, lifestyles have become more hectic, giving rise to higher stress levels leading to increase in lifestyle related diseases, thereby putting more pressure on existing resources and infrastructure. (*Source: F&S Report*)

Low Government expenditure on healthcare

The participation of the Government in the total healthcare expenditure has been consistently lower in India giving tremendous opportunities for growth of private healthcare in India. The burden of healthcare on the individual is evident from the high out-of-pocket expenditure, which was 62% in 2014 and was much higher as compared to developed nations like the USA (11%) and China (32%) in the same year. In 2014, the Central Government's expenditure on healthcare accounted only for 1.4% of GDP and nearly 30% of the total health expenditure, lower than certain developing and South Asian countries. In order to achieve the desired healthcare access and to build the desired levels of healthcare infrastructure, Government spending on healthcare needs to be increased. With a proposed Government plan to increase the public healthcare expenditure to 2.5% of GDP from 1.4% in 2014, the burden of healthcare on the individual could be reduced leading to increased access to healthcare for the population. (*Source: F&S Report*)

Set forth below is the comparison of public healthcare expenditure (as a % of GDP) for India and certain other countries:



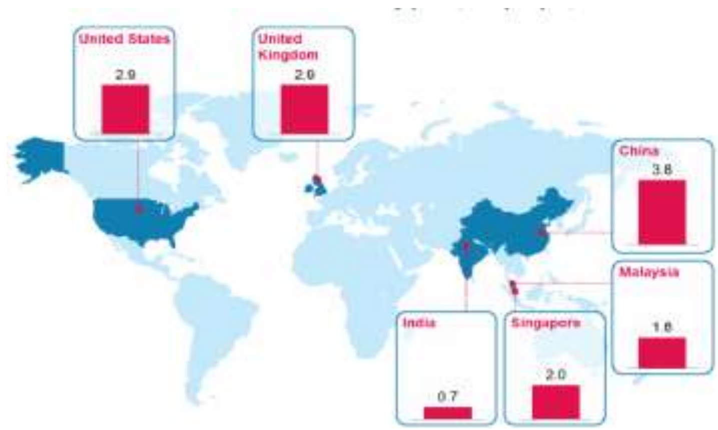
Source: F&S Report

Healthcare infrastructure and manpower

Indian healthcare sector is facing a massive scarcity of both infrastructure and skilled workforce. In the present-day scenario, per capita infrastructure availability is poor as compared to global standards. With population expected to reach 1.35 billion by 2020, India's healthcare infrastructure will be unable to bear rising healthcare demand. (*Source: F&S Report*)

In 2011, bed density in India was estimated at 0.7 beds per 1,000 people significantly lower than WHO standard of 3.5 beds per 1,000 people and global average of 2.7 beds per 1,000 populations. In order to achieve the global average of 2.7 beds per 1,000 population, India would need additional 2.7 million beds by 2020 and 3.8 million beds to achieve the WHO norm of 3.5 beds per 1,000 population. (*Source: F&S Report*)

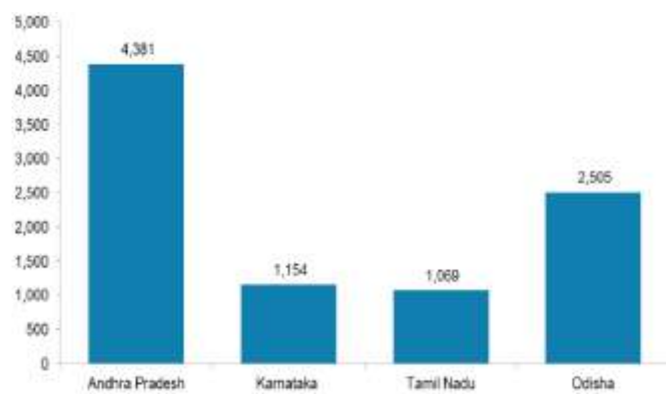
Set forth below is the bed density per 1,000 people in 2011 for India and certain other countries:



Source: World Bank, 2011, F&S Report

At the national level, there is a huge imbalance in terms of availability and utilization of hospital beds. In metropolitan and tier I cities, the density of hospital beds is higher providing better access to healthcare and to the larger masses, while in tier II and III cities the hospitals bed density is relatively lower. (*Source: F&S Report*)

Set forth below is the population served per government beds in selected states:



Source: National Health Profile, 2015, F&S Report

Andhra Pradesh has higher numbers of population served (4,381) per government hospital beds compared to the other states clearly indicating a higher burden on the system and the need for more hospital beds. (*Source: F&S Report*)

In 2011, physician density in India, estimated at 0.7 physicians per 1,000 people was lower than the global average of 1.4. It is also lower than other South Asian countries like Singapore (1.8) and China (1.5). Other developed counties like the USA (2.5) and the UK (2.8) also exhibit a higher physician density. Healthcare workforce concentration is higher in the urban regions and particularly in the private sector, creating a shortage in the rural areas. (*Source: F&S Report*)

Set forth below is the human resource employment in healthcare in 2014:

Source: National Health Profile, 2015, F&S Report

Health insurance coverage

The increasing cost of healthcare, rising out-of-pocket expenditure and growing incidence of disease has led to the increase in the financial burden and necessity for universal health coverage. With approximately 75% of the India's population paying for healthcare expenses from their pockets in 2014, healthcare insurance has now emerged as a crucial tool to increase the affordability of healthcare services. Currently, the Indian healthcare represents a low health insurance penetration affecting the affordability for healthcare services, especially among people from the lower strata of population. (*Source: F&S Report*)

Set forth below is the health insurance penetration in India (2011-2014):

Source: IRDA Annual Report, 2014-15, F&S Report

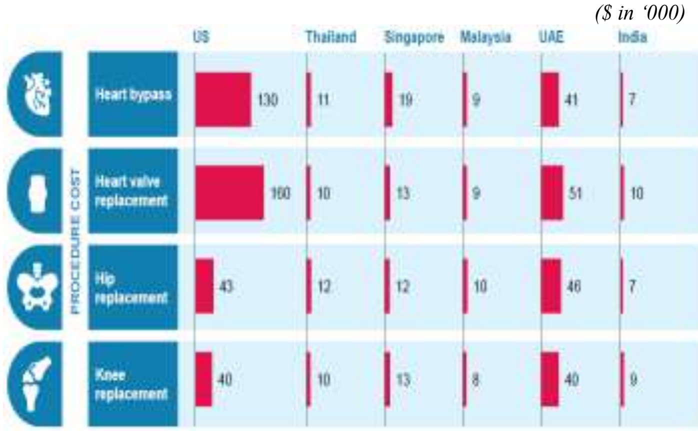
Though penetration of healthcare insurance is low, health insurance has grown at a healthy CAGR of 10.8% in the number of people covered under health insurance between 2011 and 2014. (*Source: F&S Report*)

Medical tourism

The presence of state-of-the-art hospitals and accomplished medical professionals coupled with lower cost of healthcare services has strengthened India's position as a preferred destination for medical tourism. The presence of exotic tourist destinations, India's cultural diversity clubbed with the availability of private players with state-of-the-art infrastructure, technology at a relatively lower cost has further enhanced the growth of medial tourism in India. (*Source: F&S Report*)

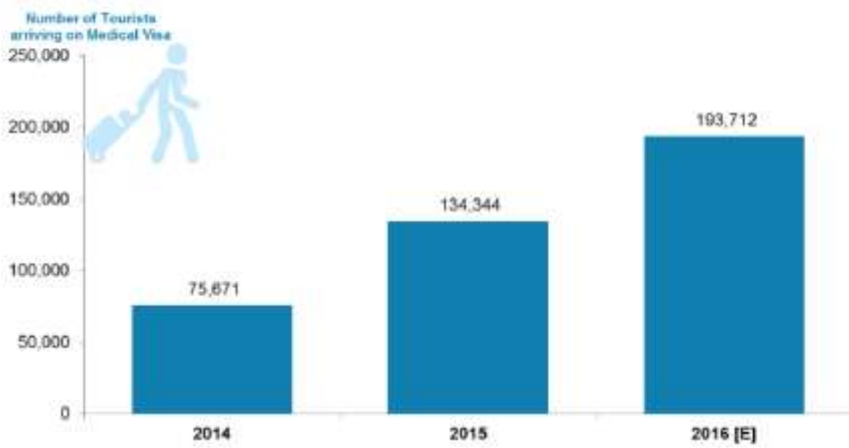
Set forth is the country wise cost of treatments of certain procedures:

($ in '000)



Source: F&S Report

Set forth are details of foreign tourist arrivals for medical treatments in India:

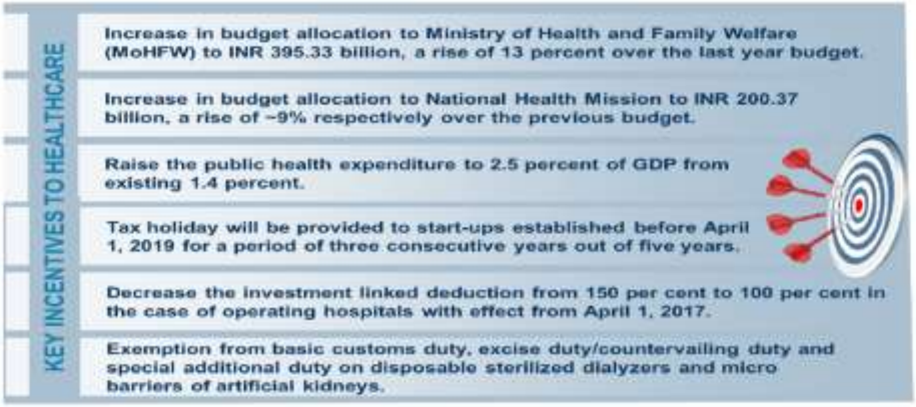


Source: Ministry of Tourism, F&S Report

Andhra Pradesh is a well known tourist destination known for its enchanting destinations and accounted to the third highest number of domestic tourist footfalls in 2015 among all the states. In the year 2015, the state has seen a rise in the tourist footfalls by 30% increasing from 93 million to 122 million in 2015. Andhra Pradesh and Telangana jointly received 216 million tourist foot falls in 2015, accounting to 15% of the total tourist footfalls across all the states. With booming medical tourism industry in India, Andhra Pradesh has also emerged as a preferred destination for medical tourism. Given the phenomenal growth of the state and establishment of world class hospitals in Hyderabad, it has become one of the major medical tourism hubs in India. (*Source: F&S Report*)

Government policies on healthcare

The Indian Government has introduced important reforms to assure healthcare for all Indians, and to reduce out-of-pocket spending on healthcare. The key incentives offered to the healthcare sector are:



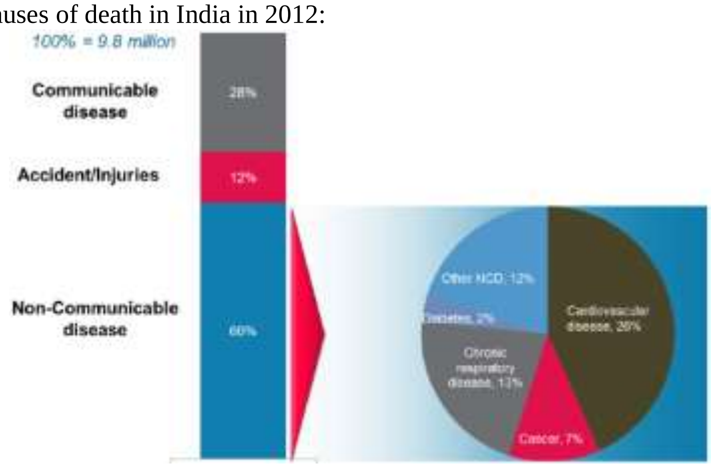
Source: F&S Report

In 2015, the Government rolled out the new national health policy aimed to strengthen and prioritize its responsibilities for reshaping the health system, focusing on disease prevention, regulation and legislation, human resource development and investment. The new national health policy proposes to raise public health expenditure to 2.5% of GDP from existing 1.4%; at the same time promoting greater collaboration with non–profit organizations and participation of private healthcare players. Acknowledging the high out-of-pocket expenditure (62% of the total healthcare expenditure in 2014), the national health policy aims to provide universal access to free healthcare and comprehensive primary health services along with free drugs, and diagnostics services in government healthcare setups. (*Source: F&S Report*)

Growing prevalence of lifestyle disease

India is facing a growing burden of non-communicable diseases, largely caused by sedentary lifestyles, rise in pollution levels, global warming, and other factors. There has been a gradual transition in disease patterns, with non-communicable diseases emerging as a major cause of death, attributing to 60% deaths in the country. (*Source: F&S Report*)

Set forth are details of causes of death in India in 2012:



Source: WHO department of health statistics and information system, F&S Report.

Diabetes - As per the International Diabetic Federation, there were about 69.2 million diabetics in 2015, making India home to the second highest diabetic population after China with 109.6 million diabetics. With a prevalence rate of 8.56% in 2015, around 69.2 million (20-79 years of age) people in India had diabetes and the numbers are expected to rise 81% reaching 125.3 million in year 2040. (*Source: F&S Report*)

Obesity - Obesity has reached epidemic proportions, globally, with approximately 4 billion adults being overweight and at least 600 million of them being clinically obese. As per the WHO, worldwide prevalence of obesity has more than doubled between 1980 and 2014. About 39% of adults, aged 18 years and over, were overweight in 2014 and

13% were obese. India has become the third most obese country in the world with nearly 30 million obese people in 2014. (*Source: F&S Report*)

Cardiovascular disease - Cardiovascular diseases are the leading cause of deaths across the globe, accounting for 31% of all global deaths (17.5 million) in 2012. Cardiovascular diseases typically occur due to unhealthy diets, lack of physical activity, tobacco use, harmful use of alcohol, as well as genetic causes. In India, Cardiovascular diseases account to over a quarter (26%) of the total deaths caused by non-communicable diseases. According to WHO estimates, cardiovascular disease accounted to 1.5 million deaths in India in 2012; 16% of the total 9.8 million deaths in India. (*Source: F&S Report*)

Cancer - Cancer is among the leading causes of deaths in India accounting to 7% of the total deaths caused due to non-communicable diseases in India. In 2016, India had 4-5 million patients suffering from cancer, with nearly 1.45 million new patients added in 2016. According to the Indian Council of Medical Research (ICMR), India is expected to have more than 1.7 million new cases of cancer per year and 0.9 million deaths due to cancer by 2020. Despite the rising prevalence of disease, there is very low awareness among the population with only 12.5% of patients availing treatment in the early stages. (*Source: F&S Report*)

Neurology - Neurological disorders form a significant proportion of the global burden of disease. India is facing a growing number of neurological disease cases that is expected to increase further due to stress, smoking, nutritional deficiency, high cholesterol, changing lifestyles, obesity, hypertension and other factors. Among neurological disorders, epilepsy, dementia, cerebrovascular disorder (stroke), movement disorders (Parkinson's disease, tremors) are common with increasing prevalence. India, like other developing countries, is in the midst of a stroke epidemic. The prevalence rate of strokes is estimated to be 244-262 per 100,000 population in rural India and 334-424 out of 100,000 population in cities. (*Source: F&S Report*)

Chronic respiratory disease - Chronic diseases affecting the airway and other lung structures are grouped as chronic respiratory disease. This includes diseases like asthma, chronic obstructive pulmonary disease, interstitial lung disease and tuberculosis, which are emerging as major health problems in the region. According to the WHO, chronic respiratory disease accounts for 13% of the total deaths in India. (*Source: F&S Report*)

OUR BUSINESS

This section should be read in conjunction with sections titled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 18, 327 and 193, respectively. In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company, our Subsidiaries, and Associate. Unless otherwise stated, all financial and other data regarding our business and operations presented in this section is on a consolidated basis and are derived from the Restated Consolidated Financial Statements.

*Certain information in this section is also derived from the report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017, prepared by Frost & Sullivan pursuant to engagement with our Company ("**F&S Report**").*

OVERVIEW

We are one of the leading multi-disciplinary integrated private healthcare services providers in southern India, operating a chain of multispecialty hospitals with focus on tertiary and quaternary healthcare (*Source: F&S Report*). We have evolved as the largest corporate healthcare group in Andhra Pradesh and Telangana with our network of six hospitals. (*Source: F&S Report*). We offer a comprehensive bouquet of healthcare services across specialties and super specialties through our network of six hospitals under the "KIMS Hospitals" brand. Our flagship hospital at Secunderabad is one of the largest private hospitals in India at a single location (excluding medical colleges), with a capacity of 1,000 beds (*Source: F&S Report*). Spread across six cities in the states of Andhra Pradesh and Telangana, our hospitals provided services to over 381,975 and 638,529 patients (including inpatients and outpatients) the six months ended September 30, 2017 and Fiscal Year 2017, respectively.

Led by Dr. Bhaskar Rao Bollineni, Managing Director and CEO of our Company, a renowned cardiothoracic surgeon, we have grown from a single hospital to a chain of multispecialty hospitals, both organically and through strategic acquisitions. The oldest hospital in our network was established in 2000 at Nellore, by our Corporate Promoter, BRMH, with a capacity of approximately 200 beds and, as of September 30, 2017, our hospital network has grown to six multispecialty hospitals in six cities, with a total capacity of 2,120 beds, including 1,705 operational beds. We established our flagship hospital at Secunderabad in 2004 with a capacity of 150 beds, regularly adding further capacity taking the total bed capacity to 1,000, as on September 30, 2017. We believe that affordability and quality of healthcare services provided by us and track record of building long-term relationships with medical professionals and doctors, including through equity participation by them in the companies through which we operate our hospitals, has enabled our growth and helped us build a strong name for 'KIMS Hospitals', which will enable us to further establish the brand in India.

We operate and manage all our hospitals, which we believe, provides us with greater control over our facilities and helps us in our endeavour to deliver high quality and affordable healthcare services. Through our portfolio of well-established, matured facilities and newly established facilities, we provide treatment for complex and chronic diseases covering secondary, tertiary and quaternary healthcare. In addition to providing core medical, surgical and emergency services, we provide complex and advanced quaternary healthcare in various specialties under disciplines such as neurosciences, cardiac sciences, oncology, orthopaedics, renal sciences, organ transplantation and gastric sciences. In the six months ended September 30, 2017 and Fiscal Year 2017, our six facilities recorded a daily ARPOB of ₹ 19,244 and ₹ 19,151, bed occupancy rate of 72.19% and 69.10%, and an ALOS of 4.34 days and 4.16 days, on an aggregate basis. In the six months ended September 30, 2017 and Fiscal Year 2017, the daily ARPOB for our facilities situated in metropolitan and tier 1 cities was ₹ 24,392 and ₹ 24,087, whereas for facilities situated in tier 2 and tier 3 cities was ₹ 12,043 and ₹ 11,652, respectively.

During the six months ended September 30, 2017, we had a daily average of 239 inpatient admissions, 1,848 outpatients and a daily average of 81 inpatient admissions, in aggregate, in cardiology, cardiothoracic surgery, orthopaedics and neurosurgery. Our total capacity of beds has increased from 785 as on March 31, 2012 to 2,120 as on September 30, 2017. Each of our hospitals also has integrated pharmacies which cater to our patients.

Our hospitals are equipped with state-of-the-art medical equipment and employ practices and policies which help us provide quality healthcare services to our patients. We were one of the first hospitals in Hyderabad to install 4-Arm

HD da Vinci Robot technology at our hospital at Secunderabad. Our flagship hospital at Secunderabad and our hospital at Rajahmundry have been accredited by the National Accreditation Board for Hospitals and Healthcare Providers, India ("**NABH**") and NABH accreditation is in process for our hospital at Kondapur. Our hospital at Secunderabad is accredited with ISO 9001:2008 certification and has also been accredited by the National Accreditation Board for Testing and Calibration Laboratories ("**NABL**"). Our hospital situated at Secunderabad was awarded the 'Healthcare Excellence Award', by the Indo Global Healthcare Summit and Expo, in 2015. It has also received awards from the Association of Healthcare Providers (India) ("**AHPI**") for nursing excellence, in 2015 and for 'Patient Friendly Hospital', in 2017. In 2017, it was awarded the best hospital of the year in the multispecialty hospital category in Hyderabad by Times Healthcare Achievers Awards and in 2016 received the Pharmacie De Qualite certification from Bureau Veritas. Further, it was the first hospital in Andhra Pradesh and Telangana to have been Green OT certified in 2016. It is also the laureate of the Asia Pacific Society of Infection Control CSSD Center of Excellence Silver Award 2015-2016. Neurology India Journal has ranked the neurology department at our hospital at Secunderabad as the third biggest centre in India on the basis of volume of epilepsy surgeries performed, as on July 31, 2016.

In addition to healthcare services, we also conduct medical education programmes through our affiliations with state medical boards and universities, for various broad and super specialties at our hospitals at Secunderabad and Rajahmundry, including for DNB, under graduation, post-graduation, PhD and diploma programmes. We are also affiliated with Kaloji Narayana Rao University of Health Sciences and the Andhra Pradesh Para Medical Board.

As of September 30, 2017, we had 766 doctors (including 383 doctors engaged on consultancy basis), 1,862 nursing staff, 1,002 paramedical staff and 1,997 administrative staff.

For the six months ended September 30, 2017, Fiscal Years 2017, 2016 and 2015 (i) our total revenue was ₹ 3,289.18 million, ₹ 5,699.31 million, ₹ 5,163.87 million and ₹ 4,238.68 million, respectively, (ii) our profit after tax was ₹ 178.09 million, ₹ 325.56 million, ₹ 266.15 million and ₹ 56.08 million, respectively, (iii) our EBITDA was ₹ 629.00 million, ₹ 1,186.04 million, ₹ 1,122.14 million and ₹ 801.46 million, respectively. From Fiscal Year 2015 to Fiscal Year 2017, (i) our total revenue grew at a CAGR of 15.96%, (ii) our profit after tax grew at a CAGR of 140.93%, and (iii) our EBITDA grew at a CAGR of 21.65%.

COMPETITIVE STRENGTHS

Our principal competitive strengths are:

Ability to provide quality and affordable healthcare

Since our first hospital commenced operations in 2000, we are focussed on providing quality service to our patients. Our hospitals follow well-defined quality and patient safety protocols and adhere to accepted clinical standards in patient handling and care. We solicit after-service patient feedback through various means such as discussions, feedback forms and in some cases through our customer help lines. This helps in continuous improvement of our service delivery to our patients. Our focus on quality is evidenced by the quality certifications and accreditations that our facilities have obtained from various accreditation agencies, including ISO certification, Green OT certification, NABH and NABL accreditations. Our hospitals are equipped with superior medical technology and equipment, including the '4 arm HD Da Vinci Robotic System', which is used to conduct minimal invasive cardiac surgeries.

While providing quality healthcare, we are also focussed on ensuring that our facilities and services remain affordable for our patients. Our ability to provide affordable healthcare depends on a number of factors, including:

- standardized protocols for medical and operating procedures ensuring optimal utilization of resources;
- streamlined and centralised supply chain operations and vendor management achieving better price negotiations, cost efficiency and economies of scale;
- ensuring optimal number of employees per bed;
- low project cost and effective capital deployment; and
- availability of full time doctors and consultants, including through our DNB program.

In addition, we believe our successful track record in identifying the right partners, evaluating target markets for our hospitals and managing the project execution to set up and operate a new hospital, has allowed us to expand our network, reduce the time taken to stabilise new facilities and contribute to the growth of new patient registrations.We have an Average Capital Cost Per Bed of ₹ 4.31 million as on September 30, 2017. Further, all of our hospitals, with the exception of our hospital at Kondapur and Secunderabad, and a portion of land at Nellore, are located on land which is owned by us, thereby reducing recurring fixed cost in form of rentals. We believe that all these factors help create efficiency, manage costs for us and contribute to our ability to pass the benefit to our patients and provide a more affordable healthcare.

Ability to attract and retain high quality doctors, consultants and medical support staff

We believe that our reputation, our technology focussed approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for our doctors, nurses and paramedical professionals for their ongoing development help us to attract well-known doctors and other health care professionals from a diverse talent pool, who in turn help us in providing quality healthcare services and attract more patients to our hospitals. As of September 30, 2017, we had 766 doctors (including 383 doctors engaged on a consultancy basis) associated with us, complemented by 1,862 nursing staff and 1,002 paramedical staff. Many of our specialists, physicians and surgeons have been trained in premier medical institutions across the world and have received accolades and awards. We endeavour to access qualified and trained medical resources through our educational initiatives. We are accredited by the National Board of Examination to enrol students to a number of specialty-specific DNB courses, which serves as a training ground for a number of our junior doctors and medical support staff and helps us to contribute to the availability of skilled doctors for recruitment. As of September 30, 2017 we had 162 doctors in our DNB student program. In a market where demand for physicians and paramedical staff is high and supply scarce (*Source: F&S Report*), we expect that our continuing need for quality human resources will be met by the strong academic and learning environment we have created for prospective doctors, nurses and paramedical staff.

In addition, we have a track record in building long-term relationships with our doctors whom we consider to be our ‘partners in progress’. We utilize a competitive compensation structure for our doctors, and we believe this structure, which includes equity participation by the doctors in the companies which own the hospitals, helps us attract and retain high quality doctors and increases the productivity of our hospitals.

We continuously endeavour to undertake initiatives to ensure that the attrition rates for our doctors remain low. We have also taken certain premises on lease for the purpose of allotting residential accommodation to our nurses.

Capability in tertiary and quaternary care specialties

We believe we have strong clinical capabilities, especially in cardiac sciences, neurosciences, oncology, orthopaedics, renal sciences and gastric sciences. We also benefit from our continuing expansion across other high value clinical specialties focussing on tertiary and quaternary healthcare services. Our chain of multispecialty hospitals provide healthcare facilities which span across various specialties and reduce overdependence on any single specialty.

At our network of hospitals, in aggregate, there were 20,449 and 36,540 inpatient admissions from cardiology, cardiothoracic surgery, orthopaedics, neurosurgery, urology, surgical gastroenterology and surgical oncology during the six months ended September 30, 2017 and Fiscal Year 2017, respectively. For the six months ended September 30, 2017 and Fiscal Year 2017, revenue from cardiac sciences, neurosciences, oncology, orthopaedics, renal sciences, organ transplantation and gastric sciences accounted for 73.47% and 73.53% of our total revenue, respectively, and grew at a CAGR of 18.37% from Fiscal Year 2015 to Fiscal Year 2017.

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, and an increase in lifestyle-related diseases will lead to an increase in demand for quality tertiary, quaternary and other healthcare services.

Strong and experienced management team

We benefit from an experienced management team which has made significant contribution to our growth and has a long and proven track record in the healthcare services industry. Our senior management team members and hospital management personnel also include qualified doctors. As of September 30, 2017, our dedicated and experienced team of senior management personnel have an average of about 16 years of experience in the healthcare services industry and most have been with us since our incorporation. Our senior management team is led by Dr. Bhaskar Rao Bollineni, Managing Director and CEO of our Company and a renowned cardiothoracic surgeon with over 25 years of experience in cardiothoracic surgery.

We believe the members of our senior management team have been key to driving our business strategy and financial growth through the efficient rollout of our greenfield hospitals and the execution and integration of our acquisitions such as the acquisition of our hospital at Ongole and the acquisition of Arunodaya Hospitals Private Limited (which runs the hospital at Srikakulam). For details in relation to these acquisitions, see "*History and Certain Corporate Matters*" on page 148.

We believe that a professionally managed administration with a commitment to patient care and ethical standards enables us to operate our facilities efficiently while at the same time providing quality healthcare to our patients.

Experienced healthcare services provider with established presence and recognition in Andhra Pradesh and Telangana

The oldest hospital in our network was established in 2000 at Nellore, by our Corporate Promoter, BRMH, with a capacity of approximately 200 beds and, as of September 30, 2017, our hospital network has grown to six multispecialty hospitals in six cities located in the states of Andhra Pradesh and Telangana, with a total capacity of 2,120 beds, including 1,705 operational beds.

In terms of healthcare expenditure (as a percentage of total state expenditure), Andhra Pradesh (before the formation of Telangana) had the highest expenditure (2012-13). At the state level, Andhra Pradesh had the highest per capita expenditure on health (2012-13) compared to the neighbouring states (*Source: F&S Report*). The '*Aarogyasri scheme*', promoted and funded by Andhra Pradesh government (prior to creation of Telangana state) has also been instrumental in providing access to quality healthcare to economically weaker sections of the state.

We believe "KIMS Hospitals" is widely recognized in the states of Andhra Pradesh and Telangana, by both healthcare professionals and patients for specialties that we offer at our hospitals, including cardiac sciences, neurosciences, oncology, orthopaedics, renal sciences and gastric sciences. We believe our name is associated with comprehensive and affordable healthcare solutions, which, coupled with our operational experince, helps us to achieve better occupancy levels and shorter break even periods for our hospitals. Furthermore, we believe our name's recognition extends beyond the cities in which we currently operate to other parts of the states and even internationally. Our established presence and recognition, particularly in the states of Andhra Pradesh and Telangana, coupled with our operational experience in our core markets provides us with the platform to further expand our presence and operations in select locations across the country.

Our flagship hospital at Secunderabad received AHPI award for nursing excellence in 2015 and was ranked number one multi-specialty hospital in Hyderabad by the Times of India Survey in 2015. In addition, we focus on employing current technologies for providing healthcare services. We believe our reputation helps us attract not only patients, but also reputed doctors and other healthcare professionals to our hospitals, who in turn draw additional patients to our hospitals. The number of inpatients and outpatients whom we have provided services to has seen significant growth in the past. The number of inpatients has grown from 47,200 during Fiscal Year 2013 to 77,914 during Fiscal Year 2017 and the number of outpatients has grown from 405,275 during Fiscal Year 2013 to 560,615 during Fiscal Year 2017. During the six months ended September 30, 2017, the number of inpatients and outpatients was 43,747 and 338,228, respectively.

We continuously undertake marketing initiatives through outdoor campaigns focusing on clinical excellence. These initiatives include radio, television and newspaper advertisements, and focus on a strong social media presence. We have also been involved in Pink Ribbon Walks, a breast cancer awareness initiative, in association with various organisations, and in organising various conferences and awareness campaigns.

Track record of strong financial and operational performance

For the six months ended September 30, 2017, Fiscal Years 2017, 2016 and 2015 (i) our total revenue was ₹ 3,289.18 million, ₹ 5,699.31 million, ₹ 5,163.87 million and ₹ 4,238.68 million, respectively, (ii) our profit after tax was ₹ 178.09 million, ₹ 325.56 million, ₹ 266.15 million and ₹ 56.08 million, respectively, (iii) our EBITDA was ₹ 629.00 million, ₹ 1,186.04 million, ₹ 1,122.14 million and ₹ 801.46 million, respectively. From Fiscal Year 2015 to Fiscal Year 2017, (i) our total revenue grew at a CAGR of 15.96%, (ii) our profit after tax grew at a CAGR of 140.93%, and (iii) our EBITDA grew at a CAGR of 21.65%.

We have grown from a single hospital to a chain of multispecialty hospitals. The oldest hospital in our network was established in 2000 at Nellore, by our Promoter, BRMH, with a capacity of approximately 200 beds and, as of September 30, 2017, our hospital network has grown to six multispecialty hospitals in six cities, with a total capacity of 2,120 beds, including 1,705 operational beds. The bed capacity (including operational beds) at our hospitals increased at a CAGR of 19.78% from 1,030 as on March 31, 2013 to 2,120 as of March 31, 2017. The number of inpatients has grown from 47,200 during Fiscal Year 2013 to 77,914 during Fiscal Year 2017 and the number of outpatients has grown from 405,275 during Fiscal Year 2013 to 560,615 during Fiscal Year 2017. During the six months ended September 30, 2017, the number of inpatients and outpatients was 43,747 and 338,228, respectively.

OUR STRATEGIES

Our mission is to continuously improve the quality of healthcare services provided by us and to achieve and maintain excellence in healthcare, while seeking to generate strong financial performance and appropriate returns to our shareholders.

We aim to achieve our mission by pursuing the following strategies.

Strengthen our existing hospitals and specialties

We intend to grow our existing hospitals by increasing bed capacity and the number of operational beds, and by adding new specialties and services. As of September 30, 2017, our hospital network of six multispecialty hospitals had a total capacity of 2,120 beds, out of which 1,705 beds were operational beds, allowing us to increase the number of operational beds within the existing infrastructure. We believe that the geographies where our existing hospitals are located will continue to have a strong demand for high quality healthcare services and by strengthening our presence in these locations; we intend to increase our market share for such healthcare services. We also intend to continue strengthening our clinical capabilities by focussing on our existing specialty areas, namely, cardiac sciences, neurosciences, oncology, orthopaedics, renal sciences, organ transplantation and gastric sciences and by adding additional specialties to our healthcare services. We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, an increase in lifestyle-related diseases, and increasing health insurance coverage will lead to an increase in demand for quality healthcare services, particularly tertiary healthcare services. We continually focus on investing in the latest medical technology, attracting skilled physicians and surgeons and developing our expertise in high growth tertiary care areas to serve the increasing demand for sophisticated clinical care and procedures.

Strengthen our presence in Andhra Pradesh and Telangana

We intend to further enhance our economies of scale, cost efficiencies, and ultimately expand our revenue and profitability in our core strategic markets in Andhra Pradesh and Telangana. According to the F&S Report, Andhra Pradesh has higher numbers of population served per government hospital beds compared to other states, indicating a higher burden on the system and the need for more hospital beds. By strengthening our presence in these areas, we intend to increase our market share for providing healthcare services. Our expansion plans are generally driven by our existing facilities functioning at close to maximum capacity, as the new facilities will have a ready customer base, resulting in quicker operational ramp-up and higher business volume with lower operational risks.

Expand our geographical presence through organic and inorganic expansion

We intend to capitalize on the increasing demand for healthcare services by setting up hospitals in southern, central and eastern India. We intend to penetrate these geographies by partnering with well-known doctors who practice in these regions. In the past we have successfully used acquisitions and such partnerships to expand our operations and consolidate our presence. For instance, we acquired our hospital at Ongole and Arunodaya Hospitals Private Limited, which runs the hospital at Srikakulam. We intend to leverage our acquisition experience to successfully identify, execute and integrate new opportunities that may arise in the future, including by entering into O&M arrangements with third party healthcare service providers. We intend to target cities in southern, central and eastern India, which we believe are currently under-served in terms of healthcare services but have a sizable population and spending potential. We believe that expanding our operations to these regions would give patients in such locations greater access to quality and affordable healthcare services and at the same time, these hospitals would allow us to expand our network and penetrate different markets.

Continue to focus on cost efficiencies and implement initiatives to improve existing operational efficiencies

As part of our continuing efforts targeted at ensuring cost efficiencies, we have undertaken a number of initiatives aimed at effective management of operating expenses and improvement in operational efficiency. We intend to focus on the following key areas to improve our operating efficiencies and profitability:

- Focus on high end quaternary care, rationalize manpower and implement other cost control policies.

- Reduce costs of consumption through efforts in centralizing the procurement function and formulary development, which allows us to maximize the utilization of drugs and lower the overall cost of consumption.We also intend to focus on standardizing the type of medical and other consumables used across our network, optimizing procurement costs, consolidating our suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures across our network of business segments, brands, verticals and geographical operations, as appropriate.

- Improve occupancy rates and the utilisation of key equipment and operating theatres, particularly at our new hospitals, by placing greater emphasis on the delivery of tertiary care services, focus on preventive healthcare and health screening programmes, increasing community outreach programmes and attract more medical tourists.

- We intend to undertake initiatives that help us to improve our daily ARPOB and minimize ALOS at our hospitals. As a significant portion of in-patient revenues are derived from medical services provided in the initial two to three days of a patient's stay in the hospital, we plan to reduce the ALOS at our hospitals, thereby increasing patient turnover rate and the revenue per occupied bed per day, by improving our patient management and discharge processes, providing home care services, capitalizing on improvements in medical technology and focusing on minimal invasive surgeries. By implementing our strategy to focus on high growth facilities and other technologies and specialist skill-driven clinical areas, we intend to improve our patient and case mix and increase revenues per occupied bed per day.

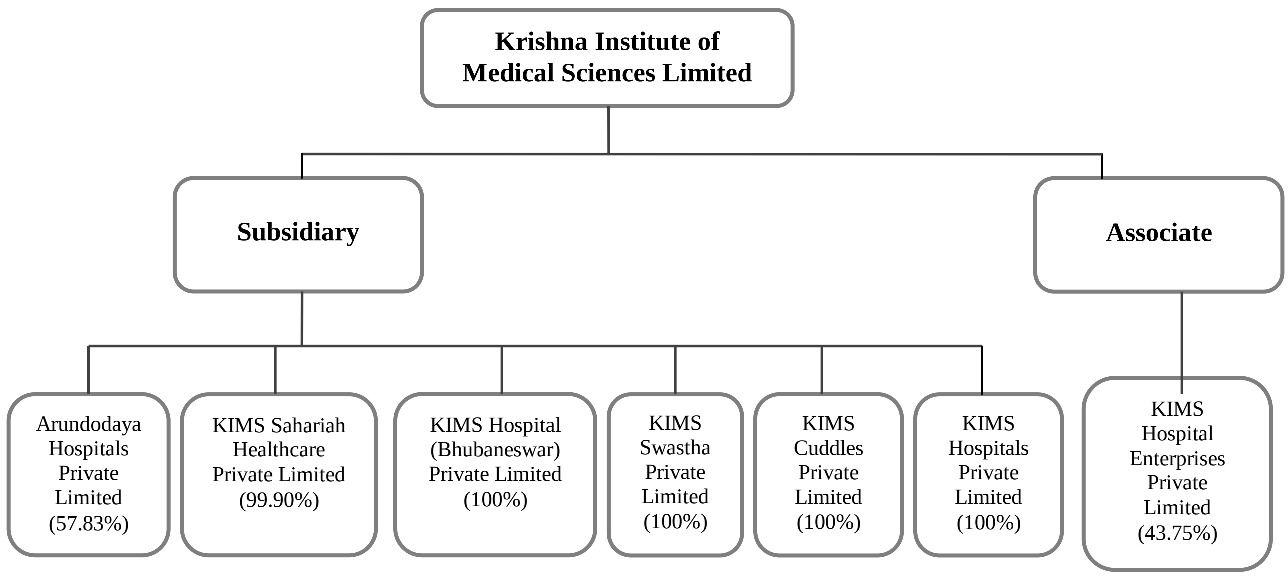
- Place greater emphasis on training our employees in best practices and implement programs to provide incentives for performance. We have also introduced an initiative to encourage our doctors and patient care team to be more involved in administrative matters such as scheduling surgeries and in the management of the hospitals as we believe that this will help to improve clinical outcomes and our service standards.

- Focus on investing in the latest medical technology, attracting skilled physicians and surgeons and developing our expertise in high growth tertiary care areas to serve the increasing demand for sophisticated clinical care and procedures.

We also intend to implement energy cost saving projects at our hospitals aimed at reducing energy and water consumption, while continuing to invest in technology-enabled operating procedures to increase operational and management efficiencies and ensure quality patient care.

Corporate Structure

We operate our healthcare services business through our Company, our Subsidiaries and our Associate. The following chart sets forth our corporate structure and our Company's holding in our Subsidiaries and Associate, as of date:



OUR HOSPITALS

We operate and manage a network of six multispecialty hospitals across Andhra Pradesh and Telangana. While our hospital at Secunderabad was set up by our Company in 2004, our hospital at Nellore was set up by our Corporate Promoter, BRMH, in 2000 and thereafter transferred to our Company pursuant to the 2012 Scheme. Our hospital at Rajahmundry was initially set up in 2001 as a proprietary concern of Rajyasri Bollineni, a member of our Promoter Group and thereafter transferred to BHCL. Pursuant to the 2012 scheme, BHCL was amalgamated with our Company and the ownership of the hospital at Rajahmundry was consequently transferred to our Company. Our Company acquired our hospital at Ongole in November 2016, pursuant to a slump sale agreement with OAHPL. Further, our subsidiary, Arunodaya Hospitals Private Limited set up the hospital at Srikakulam in 2011 and our associate KHEPL set up the hospital at Kondapur in 2014. As the owner and operator of our hospitals, we are responsible for the operating costs of these hospitals, including equipment, staff, liability insurance, maintenance, supplies and capital expenditures.

Set forth below is a map showing the location of our hospitals in Andhra Pradesh and Telangana.

Most of our hospitals provide a broad range of specialties, including cardiac sciences, oncology, nephrology, orthopaedics, neurosciences, organ transplantation, laboratory services, radiology and imaging, maternity and day care, general surgery as well as diagnostic and critical care services. We also provide outpatient services, including consultation for a range of ailments and preventive health screenings. The pharmacies located within our hospital premises cater to the patients of our hospitals round the clock.

As of September 30, 2017, we had a total of 2,120 beds, including 1,705 operational beds. During the six months ended September 30, 2017 and Fiscal Year 2017, we provided services to 43,747 and 77,914 inpatients and 338,228 and 560,615 outpatients, respectively, at our hospitals.

Certain key highlights and operational parameters, as of and for the six months ended September 30, 2017 for our hospitals are set out below:

	Secunderabad	***Nellore***	***Rajahmundry***	***Ongole***	***Srikakulam***	***Kondapur***	***Total***
Year of commencement	2004	2000	2002	2017	2011	2014	-
Operated by	Company	Company	Company	Company	AHPL	KHEPL	-
Bed capacity	1,000	250	120	350	200	200	2,120
Operational beds	885	250	120	150	150	150	1,705
*Bed occupancy rate (%)***	70.64	76.69	84.09	49.98	85.04	70.52	72.19
ALOS (days)	4.53	3.77	3.76	5.45	5.00	3.87	4.34
ARPOB (in ₹ per day)	23,982	12,186	17,701	9,392	8,664	26,911	19,244
Revenue from operations at the hospital (₹ in millions)	2,281.75	367.71	299.64	103.08	182.03	416.73*	3,255.11*^

** Our hospital at Kondapur is operated under our Associate, KHEPL. For details of consolidation of KHEPL, please see "Restated Consolidated Financial Statements – Basis of Consolidation" on page 265.*

^ Revenue includes ₹20.90 million from PET CT. Includes revenue from hospital services, sale of pharmacy and food and beverages.

*** Number of beds occupied by inpatients divided by number of operational beds in the hospital excluding day care beds like dialysis, endoscopy, emergency etc.*

We have also set up KIMS Cuddles, a single specialty woman and child division within our hospital at Kondapur, with 25 beds, which became operational in January 2017.

Set out below is a facility-wise description of our hospitals:

KIMS Secunderabad

Our hospital at Secunderabad is our flagship multispecialty hospital which became operational in 2004. This hospital has a bed capacity of 1,000 beds, including 885 operational beds, as of September 30, 2017. This hospital is strategically located in an approximately five acre area and is easily accessible from within the city. In the six months ended September 30, 2017 and Fiscal Year 2017, in aggregate, there were 5,243 and 10,397 admissions in cardiology, cardiothoracic surgery, neurosurgery and orthopaedics at this hospital, respectively. During the six months ended September 30, 2017 and Fiscal Year 2017, our doctors had performed 32 and 84 kidney transplants and 9 and 18 liver transplants at this hospital, respectively.

Our hospital at Secunderabad is accredited by the NABH and ISO 9001:2008 certification, and has also been accredited by the NABL. It has received an award from the AHPI for nursing excellence in 2015 and was ranked number one multi-specialty hospital in Hyderabad by the Times of India Survey in 2015. In 2017, it was awarded the best hospital of the year in the multispecialty hospital category in Hyderabad by Times Healthcare Achievers Awards and in 2016 received the Pharmacie De Qualite certification from Bureau Veritas. Further, it is the only hospital in Andhra Pradesh and Telangana to have been Green OT certified in 2016. Our hospital at Secunderabad was ranked as the second best specialty hospital for 2016 in the Week Magazine's November issue. It is also the laureate of the Asia Pacific Society of Infection Control CSSD Center of Excellence Silver Award 2015-2016. Neurology India Journal has ranked the neurology department at our hospital at Secunderabad as the third biggest centre in India on the basis of volume of epilepsy surgeries performed, as on July 31, 2016.

Set forth below are certain key operational parameters for this hospital:

	Six months ended September 30, 2017	*Fiscal year 2017*	*Fiscal year 2016*	*Fiscal year 2015*
Inpatient admissions	21,008	41,334	38,925	31,720
Outpatient	163,645	311,734	295,935	265,488
ARPOB(in ₹ per day)	23,982	23,350	22,055	20,461
ALOS(days)	4.53	4.23	4.39	4.52
Total revenue (₹ in millions)	2,317.27	4,156.47	3,858.97	3,002.74
Occupancy (%)	70.64	68.01	66.28	62.48

KIMS Nellore

Our hospital at Nellore is a multispecialty hospital and became operational in 2000. This hospital is among the top three hospitals in Nellore, in terms of bed capacity (*Source: F&S Report*). It has a total of 250 beds, all of which are operational beds, as of September 30, 2017. In the six months ended September 30, 2017 and Fiscal Year 2017, in aggregate, there were 2,565 and 5,066 inpatient admissions in cardiology, cardiothoracic surgery, neurosurgery and orthopedics at this hospital, respectively. This hospital is equipped with four operation theatres, one catheterization laboratory, and one MRI and CT unit.

Set forth below are certain key performance statistics for this hospital.

	Six months ended September 30, 2017	*Fiscal year 2017*	*Fiscal year 2016*	*Fiscal year 2015*
Inpatient admissions	8,013	14,873	13,632	12,172
Outpatient	54,694	104,646	96,952	90,165
ARPOB(in ₹ per day)	12,186	11,968	10,735	9,568
ALOS(days)	3.77	3.76	3.77	3.94
Total revenue (₹ in millions)	368.89	673.21	554.70	461.50
Occupancy (%)	76.69	71.30	73.85	75.13

Other revenue

In addition to the above, company had revenue from PET CT machines installed at Thrissur and Ahmedabad. The total revenue generated during the six months ended September 30, 2017, Fiscal Year 2017, Fiscal Year 2016 and Fiscal 2015 was ₹ 20.91 million, ₹ 40.01 million, ₹ 47.30 million and ₹ 58.27 million, respectively.

KIMS Rajahmundry

Our hospital at Rajahmundry is a multispecialty hospital and became operational in 2002. This hospital is the largest private hospital in Rajahmundry, in terms of bed capacity (*Source: F&S Report*). This hospital has a total of 120 beds, all of which are operational beds, as of September 30, 2017. Our hospital at Rajahmundry has been accredited by NABH. In the six months ended September 30, 2017 and Fiscal Year 2017, in aggregate, there were 3,615 and 6,838 inpatient admissions in cardiology, cardiothoracic surgery, orthopaedics and neurosurgery at this hospital, respectively. This hospital is equipped with three operation theatres, one catheterization laboratory, and one CT scan unit.

Set forth below are certain key performance statistics for this hospital:

	Six months ended September 30, 2017	*For and as on March 31, 2017*	*For and as on March 31, 2016*	*For and as on March 31, 2015*
Inpatient admissions	4,505	8,296	7,436	7,392
Outpatient	22,042	41,424	39,014	33,881

ARPOB(in ₹ per day)	17,701	16,050	14,550	12,696
ALOS(days)	3.76	3.87	3.99	3.90
Total revenue (₹ in millions)	299.96	515.89	431.99	366.49
Occupancy (%)	84.09	80.00	73.64	71.82

KIMS Ongole

Our hospital at Ongole is a multispecialty hospital and became operational in April 2017. It has a total of 350 beds, including 150 operational beds, as of September 30, 2017. This hospital is the largest private hospital in Ongole, in terms of bed capacity (*Source: F&S Report*). This hospital is equipped with nine operation theatres, one catheterization laboratory, medical, surgical, cardiothoracic and neuro intensive care units and MRI unit, among others.

This hospital became operational in April 2017 and accordingly key performance statistics for this hospital are available only for the six months ended September 30, 2017, which are set forth below.

	Six months ended September 30, 2017
Inpatient admissions	2,014
Outpatient	33,042
ARPOB(in ₹ per day)	9,392
ALOS(days)	5.45
Total revenue (₹ in millions)	103.11
Occupancy (%)	49.98

KIMS Srikakulam

Our hospital at Srikakulam is a multispecialty hospital, which was set up by our Subsidiary, AHPL. It became operational in 2011. This hospital is the largest private hospital in Srikakulam in terms of bed capacity (*Source: F&S Report*). This hospital has a total of 200 beds, including 150 operational beds, with over 10 specialties, as on September 30, 2017. This hospital is strategically located and also caters to patients from the neighbouring state of Orissa. In September 30, 2017 and Fiscal Year 2017, in aggregate, there were 1,620 and 3,052 inpatient admissions in cardiology, cardiothoracic surgery, orthopedics and neurosurgery at this hospital, respectively. The hospital is equipped with four operation theatres, one catheterization laboratory, and one CT.

Set forth below are certain key performance statistics for this hospital:

	Six months ended September 30, 2017	***For and as on March 31, 2017***	***For and as on March 31, 2016***	***For and as on March 31, 2015***
Inpatient admissions	4,201	7,517	6,764	6,427
Outpatient	23,138	40,598	40,091	50,522
ARPOB(in ₹ per day)	8,664	7,734	7,538	9,002
ALOS(days)	5.00	5.40	5.27	4.45
Total revenue (₹ in millions)	179.06	313.73	270.91	258.50
Occupancy (%)	85.04	82.36	72.18	57.99

KIMS Kondapur

Our hospital at Kondapur is a multispecialty hospital and became operational in 2014. Our hospital at Kondapur has a total of 200 beds, including 150 operational beds with over 15 specialties, as on September 30, 2017. We have applied for NABH accreditation for this hospital, and the same is under process. We have in January 2017 commissioned a new block at this hospital with a capacity of 80 beds. This hospital largely caters to the IT hub belt of Kondapur, Hitech City, Gachibowli and Madhapur areas of Telangana. In the six months ended September 30, 2017 and Fiscal Year 2017, in aggregate, there were 1,271 and 2,148 inpatient admissions in cardiology, cardiothoracic surgery, orthopedics and neurosurgery at this hospital, respectively. This hospital is equipped with five dedicated operation theatres, one catheterization laboratory, and one CT and MRI unit.

Set forth below are certain key performance statistics for this hospital:

	Six months ended September 30, 2017	***Fiscal year 2017***	***Fiscal year 2016***	***Fiscal year 2015***
Inpatient admissions	4,006	5,894	4,862	3,168
Outpatient	41,667	62,213	56,083	33,270
ARPOB(in ₹ per day)	26,911	30,394	29,121	31,733
ALOS(days)	3.87	3.47	3.54	3.20
Total revenue (₹ in millions)	422.58	630.79	505.81	323.83
Occupancy (%)	70.52	46.67	49.47	34.76

We have also set up KIMS Cuddles, a single specialty woman and child division within our hospital at Kondapur, with 25 beds. At KIMS Cuddles, we focus on providing maternity and paediatric care with use of latest technology, including 4D ultrasound, and providing services including obstetrics, gynaecology, paediatrics, neonatology and foetal medicine.

Additionally, we ceased operations at a facility at Vijaywada, Andhra Pradesh, in Fiscal 2015 due to non-renewal of the lease (renewable in three years) by the lessor. For Fiscal Year 2015, we had total revenue of ₹ 91.18 million from this facility at Vijaywada.

Key Specialties

A few of our key specialties are described below.

Cardiac sciences: We provide a comprehensive range of cardiac services to treat all cardiovascular disorders, ranging from preventive programmes to complicated surgeries, including heart transplants. We provide a range of diagnostic and therapeutic services and also offer sophisticated interventional cardiac procedures such as implanting cardioverter defibrillator. In addition, we have a thoracic and cardiovascular surgery department which performs a large number of cardiac surgeries. By using superior medical equipments, we are also able to provide early detection and management of cardiac disorders for our patients.

Neurosciences: We provide comprehensive care to patients with neurological disorders, including brain, spinal cord and peripheral nerve disorders. Equipped with advanced neuro-imaging and monitoring technology, we offer specialized care for patients with a range of neurological diseases including Alzheimer's disease and related dementia, Parkinson's disease and other movement disorders, multiple sclerosis, stroke, amyotrophic lateral sclerosis, neuromuscular diseases, epilepsy and brain tumours.

Oncology: We offer a range of oncology treatments, including medical oncology, surgical oncology and radiation oncology. The medical oncology department at our hospitals undertakes diagnosis, assessment, treatment and management of patients with cancer. Our physicians trained in this specialty aim to provide the best possible outcome for cancer patients and provide counselling for patients and their families. Our medical oncologists discuss treatment options with patients, supervise the therapy and manage any complications of disease and/or treatment that may arise. Our surgical oncology programmes offers modern, multidisciplinary treatment of primary and metastatic tumours which collaborates with experts from different departments, represents a dedicated team of physicians working closely to provide patients with comprehensive care for cancers of the liver, pancreas, abdominal cavity, adrenal gland, soft tissue and breast. The oncologists at our hospitals specialize in providing treatment in the field of prostate gland cancers, ovarian cancers, brain cancers and colon cancers by using latest techniques including 'True Beam STX', robotic procedures, radiation oncology procedures and new nuclear medicinal advancements in the detection and treatment of rare types of cancers and malignancies. In the field of radiation oncology, we offer advanced technology for cancer treatment including, intensity modulated and image guided radiation treatment, known as 'IMRT' and 'IGRT'. The image guided radiation therapy delivers painless and precise doses to the tumour, minimising any radiation deposited on the surrounding healthy tissue for improved overall outcomes. At the same time, we also offer other radiation treatments, applied alone or in combination with chemotherapy or surgery.

Orthopaedics: We provide comprehensive care in all major areas of orthopaedics, including sports injuries, spine procedures, reconstructive procedures, arthroscopy, trauma and joint replacement. Our surgeons combine surgical expertise with pioneering clinical and basic research in areas such as stimulation of bone and tissue repair and total joint reconstruction. We also strive to provide the best and timely treatment in the fields of paediatric orthopaedics, common and rare injuries to the neck, spine, hip joints, and spine and disc problems.

Renal sciences: We provide a complete range of consultative, diagnostic and treatment services for patients with kidney diseases. The scope of care encompasses all stages of kidney diseases, from earliest detectable changes in kidney function through end stage kidney diseases. The patient care services provided under this specialty cover all aspects of the clinical discipline including preventive nephrology, acute kidney injury, glomerulonephritis, vasculitis, electrolyte and acid base disorders, hypertension, genetic kidney diseases, renal complications of pregnancy, kidney stone disease, chronic kidney disease, kidney transplantation, haemodialysis, peritoneal dialysis and renal osteodystrophy. We provide primary care to patients with end stage renal disease treated with haemodialysis and we also have a peritoneal dialysis programmes.

Gastric sciences: We provide care services for management of diseases of the digestive, liver and biliary systems in patients. We offer care in both medical and surgical gastroenterology with the help of modern equipment backed by advanced intensive care units. Under this specialty we address diseases of the oesophagus, stomach, small intestine, colon and rectum, pancreas, gallbladder, bile ducts and liver and also help in evaluating early stages of cancer. The functioning of the entire digestive system, both related to the passage of food through the digestive canal to the physiological processes of food digestion, absorption and elimination come under the purview of this specialty.

Organ Transplantation: We provide multidisciplinary care for patients who require organ transplantation, including liver transplants and kidney transplants. Our services range from patient focused outpatient services, endoscopy, gastro-intestinal manometry to treatment of complex and advanced liver and pancreatobiliary diseases. Assessment of donors and recipients is carried out from the perspective of matching profiles. Subsequently a healthy organ is surgically removed from the donor and transplanted into the recipient.

Payment for our services

Payment for our services consists primarily of payment for inpatient and outpatient services, including for patients who pay for their medical expenses themselves and for patients who are beneficiaries of third party payer agreements, where all or part of the payment is payable by a third party payer as per the terms of relevant payer agreement. Such third party payers include public sector undertakings, central and state government and private and public insurers. Each third party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment. Government payers include schemes such as the Rajiv Gandhi Aarogyasri Scheme ("**Aarogyasri Scheme**"), which provide coverage for patients who are considered "below poverty line" (such term being defined in the schemes). For the six months ended September 30, 2017, cash, insurers, PSUs and Arogyasri Scheme contributed 51.84%, 12.96%, 20.05%, and 15.15%, respectively, to our consolidated revenue.

We believe that these strategic relationships help increase our occupancy rates and provide an important source of patients. We have also entered into strategic relationship with a comprehensive medical service provider outside India, to provide healthcare coverage to its members who elect to or are referred to our hospital at Secunderabad for certain pre-agreed services. We also generate income from the retail sales to our patients in the pharmacies we operate at our hospitals.

Supplies and sourcing

We have a dedicated purchase department which undertakes centralised purchase of our supplies and equipment for our hospitals. All supplies are purchased from vendors which are approved and rated, by the Purchase Committee after taking into account various factors including resources, price and status of trial orders. All medical equipment is purchased only after obtaining quotations from various vendors, and once the Purchase Committee has satisfied itself of the commercial and technical aspects of the equipment. The purchase of medical equipment is thereafter undertaken after the approval of the Director – Operations or the CEO of our Company. We typically import our advanced medical equipment. We have also entered into maintenance and service contracts with medical equipment and service providers for the maintenance of medical and laboratory equipment, which cover both emergency break-downs and regular inspection and maintenance of such equipment.

Marketing and promotional activities

We have invested and expect to continually invest in marketing and promotional activities. We have dedicated region wise teams that help us in promoting our name and our hospitals across various states in India and internationally. Our marketing activities include engaging with doctors, coordinating interactions and frequently conducting free medical camps at districts as a means of screening patients in need for further tertiary health care. We have also recently opened local information centres in Sudan and Oman to engage with potential patients promoting our brand. We also have a dedicated marketing team which spearhead our marketing and promotional activities.

We also conduct frequent health talks about common ailments and undertake ergonomic session for corporates, including insurance companies. We have tie ups with various companies, including MNCs, whereby we provide periodic health checkups for their employees. We also have tele-health centres at select corporate offices where employees can directly consult with our doctors through video conferencing for a preliminary diagnosis.

We regularly undertake outdoor campaigns through radio, television and newspapers and have tie ups with leading digital media agencies which help us maintain our website and also promote our digital outreach though social media. Digital channels offer more targeting and measurement options than traditional approaches and by focussed content marketing, video testimonials and CRM, we reach out to patients looking for solutions online. We have also been involved in Pink Ribbon Walks, a breast cancer awareness initiative, in association with various organisations, and in organising various conferences and awareness campaigns.

Research and development

We undertake research and development through KFRC, a member of our Promoter Group. Pursuant to an MoU dated January 1, 2016, KFRC conducts research in association with us and has access to our facilities and services for the purposes of research. KFRC was set up in 2010 to, among other things, conduct research in the field of medicine, science and technology and has been recognised by the Department of Scientific and Industrial Research, Government of India ("**DSIR**"). It conducts innovative research by focusing on medical needs and collaborating with national and international organisations. Certain departments under which KFRC conducts its research include regenerative medicine, cancer biology and molecular genetics. KFRC also conducts training programs for medical professionals and students. KFRC also publishes a quarterly journal titled, Journal of Medical and Scientific Research, with content ranging from original research, review articles, case reports to editorials and medical news.

Medical education programmes

We also offer various medical education programmes for various broad specialties and super specialties. Set forth below are the details of the medical education programmes that we offer.

Diplomate of National Board

Specialties	
General Medicine	Cardiology
Orthopaedic Surgery	Neurology
Respiratory Diseases	Neurosurgery
Microbiology	Surgical Gastroenterology
Radio Diagnosis	Medical Oncology
Pathology	Endocrinology
Obstetrics & Gynecology	Gastroenterology
Radiotherapy	Cardio Thoracic Surgery
Paediatrics	Genito Urinary Surgery (Urology)
Anaesthesiology	

We also offer post graduate programmes (affiliated to Kaloji Narayana Rao University of Health Sciences), in Masters of Physiotherapy with orthopaedics, neurology, cardiovascular and pulmonary specialties. We also offer undergraduate programmes (affiliated to Kaloji Narayana Rao University of Health Sciences), including, Bachelor of Physiotherapy, B.Sc Nursing, B.Sc Medical Laboratory Technology and Post Basic B.Sc Nursing (affiliated to IGNOU). Furthermore, we also offer diploma programmes (affiliated to Andhra Pradesh Para Medical Board) in 14 disciplines, including Diploma in Medical Lab Technician, Diploma in Ophthalmic Assistant, Diploma in Optometry Technician and Diploma in Dialysis Technician.

We also offer a structured MRCP programme at our hospital at Secunderabad, which is clinical primer course in association with Osler's Academy to train junior doctors pursuing MRCP qualification in the United Kingdom.

Human Resources

As of September 30, 2017, we had 6,960 employees, which included 766 doctors (including 383 doctors engaged on a consultancy basis), 1,862 nursing staff, 1,002 paramedical staff and 1,997 administrative personnel. The number of doctors, as on September 30, 2017, includes 162 doctors under the DNB student programme. We had 1,333 personnel engaged with us on a contract basis, as on September 30, 2017.

Set forth below are hospital wise details of our employees, consultant doctors and contract staff, as on September 30, 2017.

Hospital	*Doctors*	*Nursing staff***	*Consultant Doctors*	*Paramedical personnel*	*Administrative personnel****	*Contract staff*	*Total*
KIMS Secunderabad	244*	897	205	512^	761	936	3,555
KIMS Nellore	59	267	43	92	473		934
KIMS Rajahmundry	37	229	16	100	282		664
KIMS Kondapur	14	199	72	112	163	171	731#
KIMS Srikakulam	16	140	17	82	167	80	502
KIMS Ongole	13	130	30	104	151	146	574

**Includes 82 resident doctors and 162 student doctors.*

***Includes nursing trainees.*

****Includes non-medical support staff, trainees and interns.*

^Includes 12 paramedical students.

#Includes, nine consultants, 16 nursing staff, six paramedical staff and 12 support service staff employed at KIMS Cuddles.

Recruitment and training

The recruitment and selection of staff is one of the most important activities carried out by our human resource department to ensure high quality patient care. We recognize that highly skilled, experienced and motivated staff is essential to enable us to deliver our healthcare services and are committed to ensuring the recruitment and selection of staff is undertaken in an efficient manner. Vacancies, as and when they arise are advertised and candidates are thereafter shortlisted for interviews. While short listing candidates, certain criteria, such as job requirements, skill mix, educational qualification and experience are considered. We also undertake pre-employment checks and enter into employment contracts wherever required.

We also gather feedback from exit interviews, which provide valuable insights into how to improve the recruitment, induction and retention of new employees.

We believe that training of our doctors and other medical staff is essential in order to maintain the quality of care we strive to offer to our patients. We regularly organise conferences and workshops for our doctors and medical staff, as well as the healthcare professionals outside our network of hospitals. In February 2016, we organised an international symposium on hepatology advances in liver transplants in association with Indian National Association for Study of the Liver, where leading doctors from USA, UK and Singapore presented their cases. In December 2015, we organised a live epilepsy surgery workshop and symposium in association with the Neurological Society of India and the Brain and Spine Society of India and in September 2015, we organised a Cancer Summit in association with the Association of Surgeons of India, Indian Menopause Society and the Obstetric & Gynaecological Society of Hyderabad.

Technology and innovation

Our hospitals are equipped with modern medical technology and equipment. We have also installed robotic equipment which provides minimal invasive techniques and has the following benefits:

- patient comfort due to smaller incisions;
- reduced length of stay and due to faster recovery;
- enhanced precision, flexibility and control for the surgeon;
- minimal complications during and after surgery; and
- less pain and blood loss.

Since implementation, our doctors have been performing robotic surgeries in multiple specialties, including colorectal, gynaecologic, urologic, ENT and general surgeries.

Below is the description of certain advanced equipment used by us:

4-Arm HD da Vinci Robot: Our robotic surgical system, the 4-Arm HD da Vinci Robot technology, offers improved safety and effectiveness for the patient and superior control and predictability to the doctor. This system has been designed to facilitate complex surgeries and surgeries done using this system are virtually scar less.

Novalis Tx Linear Accelerator: Novalis Tx Linear Accelerator is a machine used for radiosurgery and radiotherapy. This machine is used for treating cancer patients and uses high-energy particles, such as x-rays, gamma rays, electron beams, or protons, to destroy or damage cancer cells.

O-Arm Scanner: The O-Arm Scanner is a multi-dimensional surgical imaging platform optimized for use in spine, orthopaedic, and trauma-related surgeries. The machine reduces x-ray exposure and increases safety for both medical staff and as well as the patients.

3 Tesla MRI: The 3 Tesla MRI is non-invasive diagnostic imaging technique which uses a strong magnetic field to produce high-quality pictures of soft tissue inside a patient's body. As compared to the 1.5 MRI, it performs faster scans and gives improved diagnostic sensitivity and specificity.

4D Scan for pregnancy: 4D Ultrasound E8 Voluson machine helps acquire images with more precision than regular 3D machines. It dynamically applies transparency to rendered structures for a more comprehensive view of anatomy from a solid surface structure to developing internal anatomy and illuminates foetal anatomy with up to three independent light sources of variable intensity to focus on even the tiniest of structures.

Information and technology

Our IT infrastructure system allows us to maintain electronic patient records that can be quickly transmitted throughout a hospital, to hospitals within our network and to offsite locations for quick diagnoses and treatment, and also assists us with monitoring and coordinating procurement, stocking, billing, housekeeping, staffing and patient treatments. Our integrated system simplifies scheduling and billing for our patients and doctors, improves our inventory management and results in efficiencies across our operations. We are currently using a third party hospital information management software system, which assists us with various functions including managing our financial accounting, stock management, sales and human resource functions.

Competition

We face regional competition from players which operate in the same region and localities as us. We also face competition from both institutionalised hospitals that have a pan-Indian presence and local physicians and clinics that operate only in particular towns and cities. In addition, some of the hospitals that compete with us are owned by Government agencies or non-profit entities supported by endowments and charitable contributions.

Intellectual Property

Our Company has made 12 applications in various classes for the registration of certain trademarks, including our corporate logo, 'KIMS HOSPITALS' (logo), 'KIMS – THE FUTURE OF HEALTH' (logo) and 'KIMS HOSPITALS'. Opposition applications have been filed against two of our trademark applications for our corporate logo 'KIMS HOSPITALS' (logo), against one of our trademark applications for the 'KIMS – THE FUTURE OF HEALTH' (logo), and against one of our applications for the trademark 'KIMS HOSPITALS' before the Registrar of Trade Marks, Chennai. For details of these opposition proceedings, see '*Risk Factors - We may fail to protect our intellectual property rights or we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation*' on page 24.

We have also applied for registration of copyrights in two artistic works, 'KIMS HOSPITALS' (logos).

Insurance

We maintain insurance policies which cover our hospitals, medical and surgical equipment, stock of medicine, pharmacy and surgical items to protect against loss in the case of fire and special perils. We also maintain professional negligence errors and omissions insurance for medical services provided at our hospitals as well as public liability insurance. We maintain directors' and officers' liability insurance and fidelity guarantee insurance. We also maintain money insurance. We consider our current insurance coverage to be adequate.

Corporate Social Responsibility

The CSR Committee was constituted by a resolution of our Board dated March 13, 2014 and last reconstituted on January 24, 2017 in compliance with Section 135 of the Companies Act, 2013.

We have adopted a Corporate Social Responsibility ("**CSR**") policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government. The objective of our CSR policy is to undertake activities that have a positive impact on education, environment, genetic research and new drug discovery initiatives, in primary and secondary health-care.

As part of our CSR activity, in September 30, 2017 and Fiscal Year 2017, we contributed an amount of ₹ 0.26 million and ₹ 4.92 million towards CSR, including ₹0.06 million and ₹3.42 million towards KFRC, a registered trust which undertakes research for improving healthcare delivery, respectively.

Properties

Our registered office is located at D. No. 1-8-31/1, Minister's Road, Secunderabad - 3, Telangana, 500 003. The land on which our registered office is located is under a perpetual lease. Our hospital at Srikakulam, Rajahmundry and Ongole are located on land that is owned by us, whereas our hospital at Nellore is located on land that is partially owned by us and partially on land leased from Dr. Bhaskar Rao Bollineni. Further, our hospital at Secunderabad is located on land that is taken on a perpetual lease and our hospital at Kondapur is located on land that is taken by us on lease basis.

REGULATIONS AND POLICIES

Our Company provides multi-disciplinary integrated private healthcare services in southern India, through its chain of multi-specialty hospitals. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and our business. The information detailed in this chapter has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive but indicative, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions.

Key regulations applicable to our Company

Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulations) Act, 2002 ("APMCE Act")

The APMCE Act provides for registration and regulation of all private medical care establishments in the states of Andhra Pradesh and Telangana with a view to prescribing the minimum standards of facilities and services provided by them. All private medical care establishments operating in Andhra Pradesh are required to obtain a registration under the APCME Act. Such registration is valid for a period of five years, following which it may be renewed for a further period of five years at a time. An application for renewal must be made three months before the expiry of the registration period. Under the APMCE Act, operating or establishing a private medical care establishment, without a valid registration comprises an offence punishable with imprisonment or fine or both.

The Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulations) Rules, 2007 ("**APMCE Rules**"), notified under the APMCE Act, provide that a private medical care establishment offering services in more than one specified categories would require to obtain separate registration for each category. These categories include, *inter alia*, clinics/ consultation rooms for solo practitioners, diagnostic centres, hospital/ nursing homes and dental clinics. However, a diagnostic centre being run as part of a hospital does not require separate registration.

The Government of Telangana, *vide* its order dated December 29, 2015, has adopted the APMCE Act and the APMCE Rules, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to Andhra Pradesh with Telangana.

Registration of Births and Deaths Act, 1969 ("RBD Act")

The RBD Act was enacted to regulate the registration of births and deaths in India. Pursuant to the RBD Act, the Government of Andhra Pradesh has notified the Andhra Pradesh Registration of Births and Deaths Rules, 1999 ("**AP RBD Rules**"). Under the RBD Act and AP RBD Rules, the medical officer of a hospital is required to notify births and deaths occurring in the hospital to the Registrar appointed under the RBD Act. Further, in certain cases, the medical practitioner who attended to the deceased person during his last illness may be required to issue a certificate as to the cause of death.

The Government of Telangana, *vide* its order dated February 6, 2016, has adopted the AP RBD Rules, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to Andhra Pradesh with Telangana.

Andhra Pradesh Transplantation of Human Organs Act, 1995 ("THO Act")

The THO Act was enacted to regulate the removal, storage and transplantation of human organs for therapeutic purposes and to prevent commercial dealings in human organs. No hospital can provide services relating to the removal, storage or transplantation of any human organ for therapeutic purposes unless such hospital is duly registered under the THO Act. In the event a hospital provides the aforesaid services without a valid registration, the company operating the hospital, along with the persons responsible for the conduct of the business of the company, may be made liable for fine or imprisonment.

Medical Termination of Pregnancy Act, 1971 ("MTP Act")

The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds and for matters connected therewith. It stipulates that abortion can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Under the MTP Act, private hospitals and clinics need government authorisation to undertake termination of pregnancy. Pursuant to the Medical Termination of Pregnancy Rules, 2003 notified under the MTP Act, private clinics can receive their authorisation only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place. In the event pregnancy is terminated in any place not so approved, the person terminating the pregnancy, along with the owner of such a place, would be punishable with imprisonment.

Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 ("PNDT Act")

The PNDT Act prohibits sex selection, regulates the use of pre-natal diagnostic techniques by restricting their usage for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and seeks to prevent the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide, and, for matters connected therewith or incidental thereto. The PNDT Act makes it mandatory for all genetic counselling centres, genetic clinics, genetic laboratories carrying out pre-natal diagnostic techniques, such as ultrasound machines, to register with the appropriate authority, failing which penal actions could be taken against them. Hospitals providing pre-natal diagnostic facilities would fall within the purview of the PNDT Act.

The Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Rules, 1996 ("**PNDT Rules**"), notified under the PNDT Act, prescribe minimum qualifications for employees, equipment and places for a genetic clinic, counselling centre and laboratory. These rules also provide for a code of conduct and conditions to be followed by owners, employees, or any other persons associated with an establishment registered under the PNDT Act.

Drugs and Cosmetics Act, 1940 ("DC Act") and Drugs and Cosmetics Rules, 1945 ("DC Rules")

The DC Act regulates a range of activities, including import, manufacture, distribution and sale of drugs. Record maintenance requirements have also been prescribed under the DC Act. The DC Act also provides for a framework of inspection of premises from which drugs are sold by the relevant authorities and provides for penalties for non-compliance with the provisions thereof. The DC Act, read with the DC Rules, mandates that licenses will need to be obtained from the jurisdictional drug control office for stocking, sale and distribution of drugs on a wholesale or retail basis. The nature of license determines the class of drugs (set out in the Schedules to the DC Act) that may be stocked, sold or exhibited by a pharmacy or hospital. The DC Rules also prescribe the drugs for the import of which a licence is required, and prescribe the form and conditions of such licences; the authority empowered to issue the same and the fees payable in relation to such licenses. The DC Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The establishment and operation of blood banks is also regulated under the DC Act and the rules made thereunder.

Further, the DC Rules also provide for regulation of human clinical trials for drugs – prescribing key requirements including free, informed and written consent of each study subject, registration with the licensing authority and phase-wise approval for conduct of clinical trials. Every clinical trial must also be registered with the Clinical Trials Registry – India before enrolment of patients for any study. A detailed scheme for compensating victims of clinical trials has also been provided for under the DC Rules. Annual status reports on each clinical trial, including whether it is on-going, completed or terminated, are required to be submitted to the licensing authority.

Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act regulates the possession and use of drugs falling within the definition of "narcotic drug" and "psychotropic substances". A number of drugs used in the treatment of human beings are regulated by the NDPS Act. A licence will need to be obtained from the licensing authority under the NDPS Act, for a hospital to purchase and administer such drugs to patients. The licence will also provide for the quantity of drugs licenced thereunder and the conditions subject to which the hospital is permitted to possess and administer narcotic drugs. The NDPS Act also provides for penalties for contravention, which includes imprisonment and fine.

Drugs (Control) Act, 1950

The Drugs (Control) Act, 1950, provides for the control of sale, supply and distribution of drugs. Under this legislation, any drug may be declared by the Central Government to be a drug to be regulated by the Act. The authorities may prohibit the disposal or direct the sale of any specified drug.

Drugs (Prices Control) Order, 2013 (“DPCO”)

Passed by the Central Government in pursuance of section 3 of the Essential Commodities Act, 1955, the DPCO, *inter alia*, sets out procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drugs for existing manufacturers of scheduled formulations, method of implementation of prices fixed by government and penalties for contravention of its provisions. The DPCO also authorizes the government to prescribe a ceiling price for formulations listed in the National List of Essential Medicines, 2011 - as declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time. Further, where an existing manufacturer of a drug with dosages and strengths as specified in the National List of Essential Medicines launches a new drug, it must seek prior price approval of such drug from the government.

Pharmacy Act, 1948 and Pharmacy Practice Regulations, 2015

Pharmacists are required to be registered with the Pharmacy Council of India. With respect to pharmacies being operated by our Company, we are required to employ registered pharmacists, who alone are permitted to vend medicines and drugs from such pharmacies.

The Pharmacy Practice Regulations, 2015 also impose certain obligations on the owners of pharmacy businesses. For instance, names of (i) the owner of the pharmacy business, and (ii) the registered pharmacist must be mandatorily disclosed in the premises where the business is being carried on and in compliance with the various conditions stipulated thereunder. We are also required to appoint a registered pharmacist to be responsible for compliance with the aforestated requirement. Such appointment must be in force at all times, failing which we may be deemed to be in contravention of section 42 of the Pharmacy Act, 1948.

Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes, 1997 (“HBM Guidelines”)

The HBM Guidelines, issued by the Central Government, authorise the Indian Council of Medical Research (“**ICMR**”) to set up a committee for consideration of proposals relating to import of biological materials, such as blood samples, for commercial purposes. Pursuant to these guidelines, ICMR has issued the “Guidance on Transfer of Human Biological Material for Commercial Purposes” (“**ICMR Guidance**”). In accordance with the ICMR Guidance, applications for import of blood samples are required to be made to the ICMR for onward consideration by a committee. Applicant companies are required to comply with, *inter alia*, the Guidance on Regulations for the Transport of Infectious Substances (2013-2014) and Laboratory Biosafety Manual – 2004, issued by the World

Health Organization, United Nations, class (6.2) specifications for packing instructions, and the Environment Protection Act, 1986, along with the rules framed thereunder.

Ethical Guidelines for Biomedical Research on Human Participants, 2006 ("ICMR Code")

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted under conditions in a manner conducive to and consistent with their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to continuous evaluation at all stages. As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted institutional ethics committee to safeguard the welfare and the rights of the participants. The committee should have a maximum strength of eight to 12 persons with the chairman being preferably from outside the institution, so as to maintain independence of the committee. The other members should be a mix of medical, non-medical, scientific and non-scientific persons including lay public to reflect diverse viewpoints.

These ethics committees are entrusted not only with the initial review of the proposed research protocols prior to initiation of the projects but also have a continuing responsibility of regular monitoring of the approved programs to oversee compliance during the period of the project. Such an ongoing review has to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization. The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research, if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be provided. Such incentives, whether in the form of payments or free medical service, may also be treated as undue inducement if they are found to be large enough or extensive enough to make the prospective participants enrol in the research against their better judgment. Such undue inducement is prohibited under the ICMR Code.

Indian Medical Council Act, 1956 and relevant state legislations

The Indian Medical Council Act, 1956, governs, *inter alia*, the registration of medical practitioners and their professional conduct. In order to be able to practice medicine in any state, a person must compulsorily be enrolled on the State Medical Register, maintained by the respective State Medical Council. The names of all persons for the time-being enrolled in any State Medical Register, possessing recognised medical qualifications, are also included in the Indian Medical Register – thereby entitling such persons to practise as a medical practitioner anywhere in India. While our Company is not required to register with the Indian Medical Council or any State Medical Council, all doctors practicing medicine with us are required to be registered in the Indian Medical Register maintained by the Medical Council of India.

The Andhra Pradesh Medical Practitioners Registration Act, 1968, (**"APMPR Act"**) governs the establishment of the state medical council in the state of Andhra Pradesh. The Government of Telangana, vide its order dated August 3, 2015, has adopted the APMPR Act, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to Andhra Pradesh with Telangana. The APMPR Act, together with rules issued thereunder, prescribes the procedure for registration of medical practitioners in the states of Andhra Pradesh and Telangana, and lays down penalties for false representation as a 'registered practitioner'.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("Ethics Regulations")

The Ethics Regulations impose a number of requirements on medical practitioners, including good practices, record maintenance requirements, duties to patients, advertising regulations and a framework for punishment and disciplinary action for misconduct and violation of the Ethics Regulations. Oversight and enforcement of the Ethics Regulations have been vested with the relevant Medical Councils. If, upon enquiry, the medical practitioner is found guilty of violating norms prescribed in the Ethics regulations, the appropriate Medical Council may award such punishment as deemed necessary, including a direction towards removal of such medical practitioner's name from the State and/or Indian Medical Registers, either permanently or for a limited period. However, the Ethics Regulations are not an exhaustive code of conduct for medical practitioners. The Indian Medical Council and the

State Medical Councils are not precluded by the Ethics Regulations from considering or dealing with any other form of professional misconduct not covered in the Ethics Regulations.

Indian Nursing Council Act, 1947

The Indian Nursing Council Act, 1947 was enacted with the intention of establishing a uniform standard of training of nurses and also deals with state councils to register nurses in the state registers.

The Indian Boilers Act, 1923 ("Boiler Act")

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

Government Schemes

Central Government Health Scheme ("CGHS")

This scheme covers identified categories of Central Government employees in cities covered by the CGHS. The CGHS is currently operative in 27 cities in India, including Hyderabad. Eligible employees and their dependants who have been duly enrolled to the CGHS can avail of cashless treatment for procedures covered by the CGHS. The Central Government has fixed package rates applicable from time to time for different procedures. Hospitals empanelled with the CGHS raise bills directly with the Central Government for treatment provided to patients covered by the scheme.

Aarogyasri Scheme

Aimed at improving access of families below the poverty line to medical care, this scheme provides universal coverage to BPL families in Andhra Pradesh and Telangana for all identified diseases, with respect to hospitalization and follow-up medication. All expenses are borne by the government, ensuring that the beneficiaries can avail cashless treatment for diseases covered under the Aarogyasri Scheme. The scheme is administered by the Aarogyasri Health Care Trust ("**AHCT**"). Network hospitals ("**NWH**") empanelled under the scheme are required to meet certain minimum requirements pertaining to, *inter alia,* infrastructure, equipment and manpower. In the event of any non-compliance with infrastructure, equipment, manpower or service norms, the AHCT may, upon the recommendation of the Empanelment and Disciplinary Committee, initiate disciplinary proceedings against the defaulting NWH.

Jeevandan Scheme for Cadaver Organ Transplantation ("Jeevandan Scheme")

In order to facilitate and regulate cadaver transplantation, the state of Andhra Pradesh launched the Jeevandan Scheme in 2010. The Jeevandan Scheme provides for, *inter alia,* the registration of hospitals as organ transplant centres ("**OTCs**") and non-transplantation organ harvesting centres ("**NTOHCs**") with the appropriate authority prescribed by the government. In order to be able to register as OTCs and NTOHCs, hospitals must meet certain minimum requirements pertaining to equipment and manpower requirements, including professional staffing norms. The Jeevandan Scheme also lays down the procedure for allocation of organs harvested from deceased persons, to prospective recipients.

Environment Regulations

Environment Protection Act, 1986 ("EPA") and Environment (Protection) Rules, 1986 (the "Environment Rules")

Enacted with the aim to ensure protection and improvement of the environment, the EPA, as an umbrella legislation, provides a framework for the Central Government to co-ordinate activities of various state and central authorities established under previous environmental laws. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 is required to submit to the concerned Pollution Control Board ("**PCB**") an environmental statement for that Fiscal Year in the prescribed form.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims at prevention and control of water pollution as well as restoration of water quality through the establishment of a central PCB and state PCBs. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state PCB, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state PCB after serving notice to the concerned industry may close the mine or withdraw water supply to the industry or cause magistrates to pass injunctions to restrain such polluters.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions, apply in a prescribed form and obtain consent from the PCB prior to commencing any activity. The PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form including, inter-alia hospitals, nursing homes and clinics. The BMW Rules require an occupant of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and the environment and to set up bio–medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and proving training to health care workers and others involved in handling bio-medical waste. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of biomedical waste in accordance with the BMW Rules and the guidelines issued thereunder. The prescribed authority may cancel, suspend or refuse to renew an authorisation, if for reasons to be recorded in writing, the occupier/ operator has failed to comply with any of the provisions of Environment Act or BMW Rules.

Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act as amended imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

The Atomic Energy Act, 1962 as amended ("AE Act") and the Atomic Energy (Radiation Protection) Rules, 2004 ("AERP Rules")

The AE Act aims to ensure safe disposal of radioactive waste and secure public safety, including that of persons handling radioactive substances. The AE Act empowers the Central Government to, *inter alia*:

(i) Prohibit the manufacture, possession, use, and transfer by sale or otherwise, export and import and in any emergency, transport and disposal, of any radioactive substances without its written consent;

(ii) Require any person to make periodical returns or other such statements as regards any prescribed substance in a person's possession or control that can be a source of atomic energy; and

(iii) In order to prevent radiation hazards, secure public safety and safety of persons handling radioactive substances or radiation generating plants, ensure safe disposal of radioactive wastes at such premises.

The AERP Rules require every person handling radio-active material to apply for a license which may be subsequently modified, revoked or withdrawn at the discretion of the Atomic Energy Regulatory Board ("**AERB**"), the competent authority under the AE Act. The license shall be valid for a period of five years from the date of its issue. AERP Rules prescribe certain general safety guidelines, directives for emergency preparedness and accidents, which the licensees must comply with. The AERP Rules also lay down various compliance measures inter alia as regards maintenance of radiation protection equipment and health surveillance of workers. Every employer with the written approval of AERB is required to appoint a radiological safety officer who would ensure the safety of workers, safe storage and movement of radioactive material and report the loss or leakage of any radioactive material to the competent authority. The AERB has been vested with wide powers under AERP Rules for conducting inspections of premises, radiation installations and conveyances. Violations of either AERP Rules or the terms of license are punishable with imprisonment or fine or both.

The Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 ("AE Rules")

The AE Rules have been framed to ensure safe disposal of radioactive wastes. A person can dispose radioactive wastes only after obtaining authorization from the competent authority as per the procedure laid down in the AE Rules and in accordance with the terms and conditions including location and quantity of disposable as specified in such authorization. The competent authority constituted under AE Act can suspend, cancel authorization in event when the authorized person fails to comply with conditions of the authorization or with any provisions of the AE Act or the AE Rules. The AE Rules lay down specific duties for the authorized person and various safety measures.

Safety Code for Nuclear Medicine Facilities, Atomic Energy Regulatory Board ("Nuclear Medicine Facilities Code")

The AERB specifies the Nuclear Medicine Facilities Code in order to govern the operations of a Nuclear Medicine facility from the stage of setting up a facility to its decommissioning. Nuclear Medicine is a specialty which utilises radio-pharmaceuticals to investigate disorders of anatomy, physiology and patho-physiology, for diagnosis or treatment of diseases or both. The Nuclear Medicine Facilities Code stipulates that a nuclear medicine facility can be commissioned, decommissioned or re-commissioned only with the prior approval of the Atomic Energy Regulatory Board. The Nuclear Medicine Facilities Code further stipulates that radioactive material can only be procured after obtaining a license from the Atomic Energy Regulatory Board. In addition to this, the Nuclear Medicines Facilities Code stipulates the responsibilities of employers, licensees, nuclear medicine physicians or technologists.

Radiation Surveillance Procedures for Medical Applications, 1989 ("RSPM Notification")

The RSPM Notification was promulgated under rule 15 of the Radiation Protection Rules, 1971 to ensure that procedures and installations involving radiation, radiation equipment and radioactive material are conducted in a manner that provide adequate protection against the hazards of radiation. In the light of the RSPM Notification, any person desirous of handling any radioactive material or radiation equipment must approach the competent authority for prior permission, in the form of either a license or an authorization. The RSPM Notification provide safety guidelines as regard to certain key aspects such as the design safety of equipment, planning of radiation instalments, commissioning of radiation equipment and isolation and disposal of radioactive effluents or damaged radioactive material. The RSPM Notification stipulates adherence to working conditions in a medical radiation installation formulated by the competent authority in this regard. The RSPM Notification holds an employer directly responsible for effective implementation of surveillance procedures. However, the RSPM notification is yet to be issued under the Atomic Energy (Radiation Protection) Rules, 2004.

The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the "X-Ray Safety Code")

The Atomic Energy Regulatory Board outlines X-Ray Safety Code intended to govern radiation safety in design, installation and operation of X-ray generating equipment for medical diagnostic purposes. The X-Ray Safety Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements stipulated therein and that it is the responsibility of the owner or user of medical X-ray installation equipment to ensure compliance with the statutory provisions. The X-Ray Safety Code mandates that only the medical X-ray machines approved by the Atomic Energy Regulatory Board can be installed for use in compliance with the specific requirements of the X-Ray Safety Code, including in relation to location and layout. Additionally, under the X-Ray Safety Code, the owners of medical X-ray installations in India are required to be registered with Atomic Energy Regulatory Board and conduct quality assurance performance test of the X-ray unit. Violation of any licence issued under the Radiation Protection Rules or condition of the X-Ray Safety Code, may be punishable with fine or imprisonment, or both, depending on the severity of the offence.

Consumer related laws

Consumer Protection Act, 1986

The Consumer Protection Act, 1986, aims to provide better protection of the interests of consumers, defined as, *inter alia*, any person who avails of any service for a consideration, whether paid by him or another person. Services provided by hospitals are covered under the Consumer Protection Act, 1986. In the event of medical negligence, patients may, subject to quantum of the claims, file complaints against the hospital/ medical practitioner before the District Consumer Disputes Redressal Forum, the State Consumer Disputes Redressal Commission or the National Consumer Disputes Redressal Commission. In the event that deficiency in service is established, the relevant forums may award damages and costs against the hospital/ medical practitioner in default. Appeals may be filed against orders of the District Consumer Disputes Redressal Forum before the State Consumer Disputes Redressal Commission, against orders of the State Consumer Disputes Redressal Commission to the National Consumer Disputes Redressal Commission and against orders of the National Consumer Disputes Redressal Commission to the Supreme Court of India.

Laws relating to Employment

The Andhra Pradesh Shops and Establishments Act, 1988 ("**AP S&E Act**") was enacted to amend and consolidate laws relating to the regulation of conditions of work and employment in shops, commercial establishments, and other establishments. It stipulates that no establishment can conduct such business without obtaining a registration from the appropriate authority. Shops and commercial establishments governed under the AP S&E Act have to exhibit a notice setting forth the days of week for which they are closed and the number of working hours in a week. Contravention of the AP S&E Act may entail punishment such as imprisonment along with monetary penalty.

The Government of Telangana, *vide* its order dated February 1, 2016, has adopted the AP S&E Act and the rules made thereunder, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to Andhra Pradesh with Telangana.

Certain other laws and regulations that may be applicable to our Company include the following:

- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Inter State Migrant Workers Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Trade Unions Act, 1926.

Laws relating to building and planning

The Andhra Pradesh Fire Service Act, 1999 and the Telangana Fire Services Act, 1999, and rules framed thereunder, along with local municipal laws governing building and planning, regulate the construction and occupancy of buildings, including high rise buildings, in the states of Andhra Pradesh and Telangana, respectively. Prior to the construction of high-rise buildings meeting certain stipulated criteria, the owners are required to obtain a provisional no-objection certificate of occupancy ("**Provisional NOC**") from the respective state's fire service departments. Upon receipt of the Provisional NOC, the owner must apply for approval of the building plan to be obtained from respective municipal corporations, post which construction of a building can commence. Upon completion of construction of the building, the owner/ occupier must then apply for a final no-objection certificate of occupancy ("**Final NOC**") Fire NoC from the appropriate authorities. The Final NOC so obtained, along with a 'completion certificate' from a licensed engineer/ architect, is then submitted to the respective municipal corporations, following which an 'occupancy certificate' is granted.

Occupancy certificates are granted under the respective building and planning related laws in force in the jurisdictions where our hospitals operate. For instance, the GHMC Act and building rules notified thereunder prescribe that no person shall occupy or allow any other person to occupy any building or a part thereof unless such building has been granted an 'occupancy certificate'. Failure to obtain the occupancy certificate could lead to the occupier being asked to vacate the building, or portion thereof, for which the occupancy certificate has not been obtained.

Further, in the event that the owner/ occupier has not obtained necessary building plan sanction, the building may be 'removed, altered or pulled down'; with the expenses thereof payable by the persons who erected such a building without an approved building plan. The failure to obtain a Provisional NOC or Final NOC could lead to fine or imprisonment.

Laws relating to intellectual property

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, copyright protection of a work exists for a period of sixty years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

The Trade Marks Act, 1999 ("Trademark Act")

The Trademark Act statutorily protects trademarks and prevents use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration can be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trademark (Amendment) Act, 2010 allows Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The Trademark (Amendment) Act, 2010 simplified the law relating to transfer of ownership of trademarks by assignment or transmission, thereby bringing the law generally in line with international practice.

Laws relating to taxation

The tax related laws that are applicable to our Company include the Income Tax Act, 1961, the Customs Act 1962, the Central Sales Tax Act, 1956, the Central Goods and Service Tax Act, 2017, respective state legislations pertaining to taxation, and various rules and notifications issued by taxation authorities.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Jagjit Singh and Sons Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra on July 26, 1973 at Mumbai. Our Company changed the location of its registered office from the State of Maharashtra to the erstwhile State of Andhra Pradesh, pursuant to an order dated January 29, 2003 by the Company Law Board, Western Region Bench, Mumbai ("**Order**") and the registration of the Order vide certificate of registration dated February 21, 2003 by the RoC (then the Assistant Registrar of Companies, Andhra Pradesh). Subsequently, the name of our Company was changed to 'Krishna Institute of Medical Sciences Private Limited', pursuant to a letter of approval from the Central Government dated January 2, 2004 and a fresh certificate of incorporation issued by the RoC on January 2, 2004. Pursuant to the conversion of our Company to a public limited company, our name was changed to 'Krishna Institute of Medical Sciences Limited' and the RoC issued a fresh certificate of incorporation on January 29, 2004. For further details, see "*Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets*" on page 152.

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and certain of his family members, who together owned the entire shareholding of our Company. In February 2003, acting in pursuance of the Takeover MoU, certain of our Promoters, namely Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni and BRMH, along with certain other individuals and entities, acquired the entire equity share capital of our Company (then 'Jagjit Singh and Sons Private Limited'). For details of the Takeover MoU, see *"Material Agreements - Other Material Agreements"* on page 155.

We have not been able to trace the complete set of documents pertaining to corporate, accounting, financial, legal and other statutory records, including any supporting documents and/or RoC filings for the period prior to the acquisition. Therefore, we are unable to conclusively ascertain *inter alia* all amendments to the Memorandum of Association of our Company until February 2003. Further, we do not have any supporting documents to ascertain whether our Company had at any point of time prior to February 2003 entered into any arrangement or scheme of amalgamation, acquired any business or undertaking, undertaken revaluation of its assets, carried out a public offering of debt securities, experienced strikes, lock-outs or time/cost overruns, defaulted on or rescheduled its borrowings from financial institutions or banks or changed its name or registered office. The relevant documents are also not available at the office of the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad (which included inspection of filings of the Company available with the Registrar of Companies, Maharashtra, at Mumbai), as certified by IKR & Associates, Company Secretaries, pursuant to their certificate dated June 26, 2017, based on the search performed by them. For further details, see "*Risk Factors - We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to February 2003*." on page 23.

Business and management

For a description of our activities, services, products, technology and built-up capacity, market of each segment, the growth of our Company, foreign operations, the standing of our Company with reference to prominent competitors in connection with our products, management and managerial competence, major suppliers and customers, environmental issues, geographical segment etc., see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and *"Government and Other Approvals"* on pages 122, 327 and 375, respectively.

For details of the management of our Company and its managerial competence, see "*Our Management*" on page 162.

Changes in our registered office

The registered office of our Company was changed from the state of Maharashtra to the erstwhile state of Andhra Pradesh for operational convenience, pursuant to a shareholders' resolution dated September 20, 2002 which was confirmed by the Company Law Board *vide* its order dated January 29, 2003. A certificate registering the aforestated order was granted by the RoC (then the Assistant Registrar of Companies, Andhra Pradesh) on February 21, 2003.

Since February 21, 2003, the registered office of our Company has been situated at "D. No. 1-8-31/1, Minister's Road, Secunderabad – 3, Telangana 500 003, India".

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. To establish, construct, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidize and organize hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theatres, chemist shops, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation centers and other similar establishments for providing treatment & medical relief in all its branches by all available means to public at large on suitable fees, concessional fees or on free of charge basis.

2. To buy, sell, import, export and to act as purchasing and selling agents for the aforesaid business for any educational and research institutions, medical colleges, hospitals, dispensaries, societies, persons or other authorities in India or elsewhere and to manufacture, deal in and process all kinds of medical and surgical instruments and appliances, industrial instruments including meters, weighing machines and devices for indicating, recording and regulating pressure, temperature, rate of flow, weights and levels, scientific instruments, etc. and to set up blood banks and undertake all allied activities connected therewith.

3. To conduct and to carry on experiments and to provide or receive funds for research works and for scholarship, stipend, remuneration and/ or other payments or aid to any person or persons engaged in research work or work connected with or conductive to research and to encourage and to improve knowledge of persons who are engaged or likely to be engaged in any medical or related profession so as to make available medical relief to the public at large.

4. To carry on the business in India or elsewhere to manufacture, produce, export, buy, sell, fabricate, discover, develop, design, process, investigate, store, formulate, install, repair, maintain, recondition, turn to account, exchange, sponsor, distribute or otherwise to deal in all sorts of medicines, pharmaceuticals, chemicals, injections, drugs, formulations, apparatus, instruments, accessories, natural & artificial human body parts, dead bodies and other allied goods & articles and to do all incidental acts and things necessary for the attainment of the objects under these presents.

5. To encourage and develop biological and pharmacological standardization of indigenous medical plants and to work and act as examiners of pharmaceuticals, medicines and drugs manufactured by the manufacturers and others including government and semi-government bodies and also to carry on the profession of pathologists and examinees of soils, materials and to encourage the discovery of new medical and/ or surgical management of diseases and afflictions and to investigate and make the nature and merits of investigation and findings and research in the said field and/ or to acquire any patent and licenses or other protective devises relating to the result of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and/ or to give licenses for the manufacture of the same to others on such terms as the company may deem it fit to do.

6. To establish, promote, subsidies, encourage, provide, maintain, organize, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and to run in India or abroad educational institutions like schools, colleges, tutorials, study circles, boarding, teaching classes for primary, secondary and higher education in the fields of science, medical ,pharmacy and allied activities connected therewith.

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

To the extent ascertainable from available past records, details of amendments to our Memorandum of Association prior to February 2003 are as follows:

Date	Nature of amendment
December 21, 1978	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 2,000,000, divided into 20,000 equity shares of ₹ 100 each to ₹ 2,500,000, divided into 25,000 equity shares of ₹ 100 each.*
January 5, 1994	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 2,500,000, divided into 25,000 equity shares of ₹ 100 each to ₹ 10,000,000, divided into 1,000,000 Equity Shares of ₹ 10 each.**

* *Based on minutes of the meeting of our Board dated November 25, 1978. An extraordinary general meeting of the shareholders was convened on December 21, 1978 to approve this increase in authorized share capital and consequent amendment to the Memorandum of Association. We have been unable to trace any further records in relation to this increase in our Authorised Share Capital.*

** *Based on available statutory filings. We have been unable to trace corresponding minutes or any further records in relation to this increase in our Authorised Share Capital.*

The details of amendments to our Memorandum of Association since February 2003 are as follows:

Date	Nature of amendment
January 29, 2003*	Amendment of Memorandum of Association to reflect change in registered office from the State of Maharashtra to the State of Andhra Pradesh.
March 10, 2003	Clause III (A) of the Memorandum of Association was amended to reflect changes in the main objects of the Company.
	Clauses III (B) and III (C) of the Memorandum of Association were amended to reflect changes in the objects of the Company.
	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 10,000,000, divided into 1,000,000 Equity Shares of ₹ 10 each to ₹ 15,000,000, divided into 1,500,000 Equity Shares of ₹ 10 each.
December 17, 2003	Amendment of Memorandum of Association to reflect change in name from Jagjit Singh and Sons Private Limited to Krishna Institute of Medical Sciences Private Limited. A fresh certificate of incorporation pursuant to the change of name was granted by the RoC on January 2, 2004.
January 10, 2004	Amendment of Memorandum of Association upon conversion of our Company from a private limited company to a public limited company and the consequent change in name of our Company to 'Krishna Institute of Medical Sciences Limited'. A fresh certificate of incorporation pursuant to the change of name was granted by the RoC on January 29, 2004.
June 28, 2004	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 15,000,000, divided into 1,500,000 Equity Shares of ₹ 10 each to ₹ 20,000,000, divided into 2,000,000 Equity Shares of ₹ 10 each.
March 1, 2007	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 20,000,000, divided into 2,000,000 Equity Shares of ₹ 10 each to ₹ 30,000,000, divided into 3,000,000 Equity Shares of ₹ 10 each.
April 12, 2008	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 30,000,000, divided into 3,000,000 Equity Shares of ₹ 10 each to ₹ 100,000,000, divided into 10,000,000 Equity Shares of ₹ 10 each.
December 29, 2008	Clause III (C) of the Memorandum of Association was amended to reflect changes in the objects of the Company.
October 30, 2009	Clause III (A) of the Memorandum of Association was amended to reflect changes in the objects of the Company.
February 15, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 100,000,000, divided into 10,000,000 Equity Shares of ₹ 10 to ₹ 150,000,000, divided into 15,000,000 Equity Shares of ₹ 10 each.**
November 11, 2014	Clause III (A) of the Memorandum of Association was amended to reflect change in the objects of the Company.
August 19, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 150,000,000, divided into 15,000,000 Equity Shares of ₹ 10

Date	Nature of amendment
	each to ₹ 200,000,000, divided into 20,000,000 Equity Shares of ₹ 10 each.
January 20, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 200,000,000, divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 710,000,000, divided into 71,000,000 Equity Shares of ₹ 10 each.
October 27, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 710,000,000, divided into 71,000,000 Equity Shares of ₹ 10 each to ₹ 750,000,000, divided into 75,000,000 Equity Shares of ₹ 10 each.
March 21, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 750,000,000, divided into 75,000,000 Equity Shares of ₹ 10 each to ₹ 950,000,000, divided into 95,000,000 Equity Shares of ₹ 10 each.

** The Company Law Board, vide its order dated January 29, 2003, confirmed the alteration of the MoA with respect to change in registered office from the State of Maharashtra to the State of Andhra Pradesh. A certificate registering the aforestated order was granted by the RoC (then the Assistant Registrar of Companies, Andhra Pradesh) on February 21, 2003.*

***In the terms of the 2012 Scheme, the authorised share capital of BHCL prior to the scheme was merged with our Company's authorised share capital on the effective date of the 2012 Scheme, i.e. February 15, 2013. For further details of the 2012 Scheme, see "Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets" on page 152.*

Total number of equity shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 227 holders of Equity Shares. For further details, see "*Capital Structure*" on page 76.

Awards and accreditations

Calendar Year	Awards/ Accreditations
2014	KIMS Secunderabad received accreditation from the National Accreditation Board for Hospitals and Healthcare Providers, India (Valid until January 15, 2018).
2015	The Department of Laboratory Services, KIMS Secunderabad received accreditation from the National Accreditation Board for Testing and Calibration Laboratories (Valid until April 12, 2019).
	KIMS Secunderabad awarded the Healthcare Excellence Award for Best Multi-specialty Hospital at the Indo-Global Healthcare Summit & Expo, 2015.
	KIMS Secunderabad received ISO 9001-2008 certification from NSF – International Strategic Registrations (Valid until March 3, 2018).
	KIMS Secunderabad ranked number one multi-specialty hospital in Hyderabad by the Times of India Survey in 2015.
	KIMS Secunderabad received Green Operation Theatre certification from Bureau Veritas, becoming the first company to receive such certification in the Andhra Pradesh and Telangana region.
2016	KIMS Secunderabad received the Pharmacie De Qualite certification from Bureau Veritas (Valid until September 9, 2019).
	KIMS Secunderabad ranked second best multi-specialty hospital in Hyderabad by the Week magazine
	Company received Pharmacie De Qualite certification (Platinum Grade) from Bureau Veritas for four pharmacies being run in the KIMS Secunderabad complex (Valid until September 9, 2019).
	Received the APSIC CSSD Center of Excellence Silver Award for the year 2015-16.
2017	KIMS Secunderabad recognized as the 'Best Hospital of the Year' at the Times Healthcare Achievers (Telugu States) Awards, 2017. The hospital was also recognised as the 'Best Hospital of the Year' in eight specialities.
	KIMS Secunderabad awarded the AHPI Award for 'Patient Friendly' hospital.
	KIMS Secunderabad ranked second best multi-specialty hospital in Hyderabad by the Week magazine for the second consecutive year.
	Ranked second in diabetology; third in dentistry, orthopaedics and dermatology; and fourth in bariatrics amongst hospitals in Hyderabad in the Times of India All India Lifestyle Hospital & Clinic Ranking Survey, 2017
	Company selected in the 'Best in Health Services' category at the HMTV Business Excellence Awards, 2017
	Received Green Operation Theatre certification from Bureau Veritas (valid until May 24, 2020)

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
2000	KIMS Nellore established by BRMH. The business division of BRMH, including the hospital, was transferred to our Company pursuant to the 2012 Scheme.
2002	KIMS Rajahmundry established by BHCL. BHCL was subsequently amalgamated into our Company pursuant to the 2012 Scheme.
2004	KIMS Secunderabad established by our Company
2009	Investment by Milestone Private Equity Fund
2011	KIMS Srikakulam established by Arunodaya Hospitals Private Limited, a Subsidiary of our Company
2012	800 beds added to KIMS Secunderabad
2014	KIMS Kondapur established by KIMS Hospital Enterprises Private Limited, our Associate Company
	Investment by IAF and EIF
2016	Acquisition of KIMS Ongole

Changes in activities of our Company during the last five years

Except as disclosed below, there have been no changes in the activities of our Company during the last five years, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

On August 2, 2013 the shareholders of our Company approved the sale of the windmill division. Based on the same, the Company has sold the existing windmills during Fiscal Year 2014 at a loss of ₹ 12.01 million. For further details, see Annexure XXX – Note 18 and Annexure XXX – Note 11 of the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, respectively, on pages 251 and 321, respectively.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding debts as on October 31, 2017, have been provided in "*Capital Structure*" and "*Financial Indebtedness*" on pages 76 and 358, respectively. Further, our Company has not undertaken any public offering of debt instruments since February 2003.

Strike and lock-outs

We have not had any strikes and lock-outs in our operations since February 2003.

Time/cost overrun

We have not experienced any instances of time / cost overrun in our business operations since February 2003.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

There have been no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity in relation to our Company since February 2003, except for certain delays in payment of term loans. See "*Summary Financial Information - Observations made by our Auditors*" on page 62.

Injunctions or restraining order against our Company

As on the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Except as disclosed below, since February 2003, our Company has neither acquired any entity, business/ undertaking nor undertaken any merger, amalgamation or revaluation of assets.

Scheme of arrangement between BRMH, BHCL and our Company

Through its order dated December 27, 2012, the High Court of Judicature of Andhra Pradesh at Hyderabad sanctioned a scheme of arrangement under section 394, read with sections 391-393 of the Companies Act, 1956 for the (i) amalgamation of BHCL with our Company; and the (ii) demerger of the business undertaking of BRMH and vesting of the same in our Company ("**2012 Scheme**"). The 2012 Scheme came into effect from February 15, 2013, the date of filing of the certified copies of the aforestated order with the Registrar of Companies, Hyderabad.

The rationale of the 2012 Scheme was, among others, to increase the healthcare service capability of our Company, and to enable optimum utilization of available resources. Pursuant to the 2012 Scheme, the hospital business division of BRMH, including all assets and liabilities thereof, was transferred to and vested in our Company on a going concern basis, with effect from the appointed date, i.e. April 1, 2011. In consideration of the amalgamation of the hospital business with our Company, our Company was required to issue and allot, without any payment, six Equity Shares to the shareholders of BRMH, for every 13 equity shares in BRMH held by them. Further, under the terms of the 2012 Scheme, with effect from April 1, 2011, BHCL was amalgamated into our Company, along with all the assets, properties, debts, liabilities, duties, responsibilities and obligations of BHCL. In consideration of the aforestated transfer, our Company was required to issue and allot, without any payment, nine Equity Shares to the shareholders of BHCL, for every 131 equity shares held by them in BHCL.

Upon the 2012 Scheme becoming effective, the authorised share capital of our Company stood enhanced by adding the authorised share capital of BHCL (i.e., ₹ 50,000,000) to that of our Company, causing our Company's revised authorised share capital to increase to ₹ 150,000,000. BHCL stood dissolved with effect from April 1, 2011.

Slump sale agreement with OAHPL (2016)

On October 25, 2016, our Company entered into a slump sale agreement with OAHPL ("**Slump Sale Agreement"**), to acquire OAHPL's rights, title and interest in its business division ("**Sale Properties**") for a total consideration of ₹ 527.80 million. The Sale Properties included, *inter alia*, OAHPL's current, immovable and movable assets; permits and licences for carrying on business; intellectual property rights; investments and liabilities, except for certain specifically excluded liabilities, such as all unpaid staff dues, taxes and contingent liabilities of OAHPL as on the date on which our Company officially opens the hospital ("**Closing Date**"). Under the terms of the Slump Sale Agreement, the Sale Properties would be deemed to have been transferred to and vested in our Company as on the Closing Date. Further, the transaction contemplated under the Slump Sale Agreement comprised of the sale and purchase of the Sale Properties on a going concern basis by way of a slump sale, such that no specific part of the consideration could be allocated to any specific asset or right(s).

In the event the required consent of a governmental authority for the transfer of any permits or licenses in the name of our Company could not be obtained by the Closing Date, the Slump Sale Agreement permits OAHPL to transfer the Sale Properties to our Company without such permits and licences for which consent remain be obtained. However, until the time such consent is obtained, OAHPL would be deemed to hold the benefit of such unassigned permit and licenses in trust for our Company, to the extent permissible under law.

Additionally, Arunodaya Hospitals Private Limited became a Subsidiary of our Company in Fiscal Year 2015. For further details, see "*Subsidiaries of our Company – Arunodaya Hospitals Private Limited"* on page 156.

Revaluation of assets

Our Company has not re-valued its assets since February 2003.

Material Agreements

A. Share Purchase and Shareholders' Agreements

Shareholders' agreement dated October 9, 2014 ("SHA"), amongst the Company, persons classified as 'promoters' of the Company, persons classified as 'other shareholders' of the Company, IDBI Trusteeship Services Limited, as trustee for India Advantage Fund ("IAF" or "Investor 1") and Emerging India Fund ("EIF" or "Investor 2").

IAF had initially subscribed to 228,247 Equity Shares pursuant to the share subscription agreement dated June 23, 2014 amongst the Company, persons referred to as 'promoters' of the Company, persons referred to as 'other shareholders' of the Company, and IAF. Further, pursuant to a share purchase agreement dated June 23, 2014 amongst the Company, certain shareholders of the Company and IAF, IAF purchased 306,047 Equity Shares from such shareholders. IAF also purchased 1,104,350 Equity Shares from Milestone Private Equity Fund and Milestone Army Trust, pursuant to a share purchase agreement dated June 23, 2014, amongst the Company, Milestone Private Equity Fund, Milestone Army Trust and IDBI Trusteeship Services Limited, acting as the trustee for IAF. Subsequently, the Company, persons referred to as 'promoters' of the Company, certain shareholders of the Company and IAF executed a shareholders' agreement dated June 23, 2014 to record their mutual rights and obligations as shareholders of the Company ("**IAF SHA**").

EIF subscribed to 27,879 Equity Shares pursuant to share purchase agreement dated October 9, 2014, amongst the Company, persons referred to as 'promoters' of the Company and EIF. Further, pursuant to a share purchase agreement dated October 9, 2014, amongst EIF and persons referred to as 'promoters' of the Company, EIF purchased 83,640 Equity Shares from such persons. EIF also purchased 39,409 Equity Shares from certain shareholders of the Company, pursuant to a share purchase agreement dated October 9, 2014, amongst EIF and such shareholders. Subsequently, in supersession of the IAF SHA, the Company, persons referred to as 'promoters' of the Company, certain shareholders of the Company, IAF and EIF executed a shareholders' agreement dated October 9, 2014 to record their mutual rights and obligations as shareholders of the Company ("**IAF-EIF SHA**").

Under the IAF-EIF SHA, IAF is entitled to nominate to the Board such number of Directors as is proportionate to its shareholding in the Company, subject to a minimum of one Director who shall not be liable to retire by rotation. Further, any decision of the shareholders, Board or any committee thereof, on certain matters classified as 'reserved matters' in relation to our Company requires the prior written consent of IAF, including:

- increase in the issued, subscribed or paid up equity or preference share capital of our Company;
- amendments or any proposal to amend the charter documents of our Company; and
- changing the rights and preferences of Equity Shares.

Additionally, as per the terms of the consent cum waiver letter dated December 11, 2017 issued by the Investors pursuant to the IAF-EIF SHA, our Company is required to complete an initial public offering meeting certain stipulated requirements (the "**Qualified IPO**") by June 30, 2018.

Pursuant to the amendment and termination agreement to the IAF-EIF SHA dated July 6, 2017 (the "**IAF-EIF Termination Agreement**"), the parties to the IAF-EIF SHA agreed that all references to 'promoters' in the IAF-EIF SHA shall be construed as being references to 'promoters and promoter group'. The parties further agreed that the IAF-EIF SHA shall stand terminated automatically, without any party being required to take any further action, on the date of receipt of final trading approval from the Stock Exchanges (the "**IPO Consummation Date**"). However, so long as IAF and EIF, together with I-VEN Affiliates, continue to hold at least 10 % of the Equity Shares in the Company on a fully diluted basis, IAF shall be entitled to nominate and appoint one non-retiring, non-rotational and non-executive Director to the Board, this right being subject to approval by the shareholders of the Company by a special resolution, subsequent to the IPO Consummation Date.

Inter-se agreement dated December 11, 2017 ("Inter-se Agreement") amongst Dr. Bhaskar Rao Bollineni ("Dr. Rao"), IDBI Trusteeship Services Limited, as trustee for (i) India Advantage Fund - S3 I ("IAF" or "Investor 1") and (ii) Emerging India Fund ("EIF" or "Investor 2", and together with IAF, "Investors") (Dr. Rao, IAF and EIF, collectively, the "Parties")

In terms of the Inter-se Agreement, following the determination of the Offer Price on the Pricing Date, Dr. Rao shall communicate the valuation of the Company based on the Offer Price to the Investors in an agreed upon form. In the event our Company achieves a valuation of ₹ 22,000 million or more but less than ₹ 25,000 million, based on the Offer Price, the Investors shall transfer a sum of ₹ 75 million to Dr. Rao or his nominee or such lower amount as may be agreed between the Parties. In the event the valuation of our Company, based on the Offer Price, is ₹ 25,000 million or more, the Investors shall transfer a sum of ₹ 150 million to Dr. Rao or his nominee or such lower amount as may be agreed between the Parties. The obligation of Investors to pay the aforesaid amount is subject to our Company achieving indicated valuation and completion of the Offer on or prior to June 30, 2018.

B. Other Material Agreements

Memorandum of Understanding and Agreement of Takeover dated August 22, 2002 ("Takeover MoU"), amongst Jagjit Singh, Vimla Swanni, Ajit Singh, Rajinder Swanni, Kamal Nain Swanni, Jibani Singh, Gurbani Singh and Gurmeher Singh (the "Sellers"), and Dr. Bhaskar Rao Bollineni, Dr. M. Sambasiva Rao, Dr. S. Sahariah and Dr. A.V. Gurava Reddy (the "Purchasers")

The Sellers owned 245,000 Equity Shares in aggregate (being the entire shareholding of our Company), as on the date of the Takeover MoU. Further, Jagjit Singh, along with Daljit Singh and Ajit Singh, had leased out certain land located at Village Bholakpur, Secunderabad measuring 2.30 hectares ("**Leasehold Land**") to our Company for a period of 30 years, expiring on January 30, 2004. The business of our Company, as on the date of the Takeover MoU, was being run on the Leasehold Land.

Pursuant to the Takeover MoU, the Sellers agreed to sell, transfer, convey and hand over all the share certificates they owned and held in our Company, along with the Leasehold Land, to the Purchasers for a consideration of ₹ 165 million. The terms of the Takeover MoU obligated the Sellers to hand over to the Purchasers all the assets of the Company including, *inter alia,* physical and peaceful possession of the Leasehold Land, buildings, office premises, hotel premises, residential houses and all papers available with the Sellers upon payment of the full consideration amount. The Sellers agreed that they shall execute all such appropriate documents at any time in the future for conveying their ownership rights, title and interest in the Leasehold Land in favour of our Company. Subsequently, Jagjit Singh, Ajit Singh and the legal heirs of Daljit Singh executed a lease deed dated December 9, 2002, in favour of our Company, granting us lease in perpetuity over the Leasehold Land. Dr. Bhaskar Rao Bollineni and Krishnaiah Bollineni were appointed to the board of directors in November 2002 and the entire share capital of our Company was transferred to the Purchasers in February 2003.

Under the terms of the Takeover MoU, all the liabilities of our Company, as accrued until the date of the take-over, were to be borne by the Sellers. The Sellers and the Purchasers further entered into a supplementary agreement dated November 25, 2002, wherein the Sellers undertook *inter alia* to indemnify the Purchasers and our Company for any defect in their title over the Leasehold Land, or for their default in making payments of any income tax or any other tax on the lease premium and sale proceeds on sale of shares, received by them in terms of the Takeover MoU.

Slump Sale Agreement dated October 25, 2016, amongst our Company and OAHPL:

Our Company entered into a Slump Sale Agreement dated October 25, 2016 with OAHPL to acquire KIMS Ongole. For details of the Slump Sale Agreement, see *"Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets – Slump sale agreement with OAHPL (2016)"* on page 153.

Except as disclosed above, our Company has not entered into any material contracts other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years preceding this Draft Red Herring Prospectus.

Holding Company

Our Company does not have a holding company.

Subsidiaries of our Company

Currently, our Company has six Subsidiaries, namely:

1. Arunodaya Hospitals Private Limited
2. KIMS Cuddles Private Limited
3. KIMS Hospital (Bhubaneswar) Private Limited
4. KIMS Hospitals Private Limited
5. KIMS Sahariah Healthcare Private Limited
6. KIMS Swastha Private Limited

The details of our Subsidiaries are as follows:

1. Arunodaya Hospitals Private Limited

Corporate information

Arunodaya Hospitals Private Limited was incorporated on March 6, 2008 under the Companies Act, 1956 with the RoC (then the Assistant Registrar of Companies, Andhra Pradesh.). Our Company's shareholding increased to 57.83% of Arunodaya Hospitals Private Limited's issued share capital in Fiscal Year 2015, thereby making it a Subsidiary of our Company. Its CIN is U85110AP2008PTC058016 and its registered office is situated at New Bridge Road, Near Datta Temple, PN Colony Junction, Srikakulam 532 001, Andhra Pradesh, India.

Arunodaya Hospitals Private Limited is enabled under its objects to *inter alia* run hospitals, sell pharmaceuticals and establish medical research laboratories. It is currently engaged in the business of healthcare services, and operates KIMS Srikakulam.

The board of directors of Arunodaya Hospitals Private Limited comprises the following persons:

1. Gudena Someswara Rao;
2. Swarna Ram Mohan; and
3. Rushank Rajendra Vora.

Capital structure and shareholding pattern

The authorised share capital of Arunodaya Hospitals Private Limited is ₹ 30,000,000 divided into 3,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Arunodaya Hospitals Private Limited is ₹ 20,270,270 divided into 2,027,027 equity shares of ₹ 10 each.

The shareholding pattern of Arunodaya Hospitals Private Limited is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	Krishna Institute of Medical Sciences Limited	1,172,281	57.83
2.	G. Someswara Rao	243,176	12.00
3.	Annepu Siva Prasad	113,878	5.62
4.	Ch. Rama Krishna	87,000	4.29
5.	Bora Vasudeva Rao	67,054	3.31
6.	B. Satyadevi	60,878	3.00
7.	G. Tejeswara Rao	56,308	2.78
8.	P. Jogi Naidu	50,944	2.51
9.	Dumpala Hari Prasada Rao	43,987	2.17
10.	B. Annaji Rao	41,391	2.04
11.	G. Rajeswari	40,130	1.98
12.	G. Jaggayya	30,000	1.48
13.	P. Aruna Kumari	20,000	0.99
Total		**2,027,027**	**100.00**

2. KIMS Cuddles Private Limited

Corporate information

KIMS Cuddles Private Limited was incorporated on June 29, 2016 under the Companies Act, 2013 with the Jurisdictional Registrar of Companies, Telangana. Its CIN is U85200TG2016PTC110600 and its registered office is situated at # 300A, MLA Colony, Road No.12, Banjara Hills, Hyderabad 500 034, Telangana, India.

KIMS Cuddles Private Limited is enabled under its objects to *inter alia* set up hospitals and nursing homes; and to provide and promote facilities for discovery of new methods of diagnosis. It is currently not engaged in any business activities.

The board of directors of KIMS Cuddles Private Limited comprises the following persons:

1. Dr. Bhaskar Rao Bollineni;
2. Dr. Abhinay Bollineni*; and
3. Chebrolu Harini.

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* *Dr. Abhinay Bollineni's name has been published in the list of directors disqualified under Section 164(2) of the Companies Act (**"Notification"**) on the website of the MCA in relation to his directorship in Pulse Nano Surgical Equipments Private Limited. In this regard, Dr. Abhinay Bollineni filed a writ petition before the High Court, Hyderabad and the High Court, Hyderabad vide interim order dated December 5, 2017 directed restoration of his DIN to enable him to submit annual returns for the last three financial years and the financial statement by December 30, 2017. See case 2 in 'Outstanding Litigation and Material Developments – Litigation involving our Promoters - Criminal proceedings against our Promoters' on page 368.*

Capital structure and shareholding pattern

The authorised share capital of KIMS Cuddles Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KIMS Cuddles Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of KIMS Cuddles Private Limited is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	Krishna Institute of Medical Sciences Limited	9,999	99.99
2.	Dr. Abhinay Bollineni*	1	0.01
Total		**10,000**	**100.00**

* *The Company is the beneficial owner of the equity share held by Dr. Abhinay Bollineni.*

3. KIMS Hospital (Bhubaneswar) Private Limited

Corporate information

KIMS Hospital (Bhubaneswar) Private Limited was incorporated on March 20, 2017 under the Companies Act, 2013 with the Registrar of Companies, Telangana. Its CIN is U85300TG2017PTC115987 and its registered office is situated at # 300A, MLA Colony, Road No. 12, Banjara Hills, Hyderabad 500 034, Telangana, India.

KIMS Hospital (Bhubaneswar) Private Limited is enabled under its objects to *inter alia* carry on the business of health care and health care networks through public private partnership mode; and to establish, construct, maintain and manage hospitals, dispensaries, clinics, diagnostic centres and other similar establishments for providing treatment and medical relief in all its branches, It is currently not engaged in any business activities.

The board of directors of KIMS Hospital (Bhubaneswar) Private Limited comprises the following persons:

1. Dr. Bhaskar Rao Bollineni;
2. Dr. Abhinay Bollineni*; and
3. Chebrolu Harini.

*Dr. Abhinay Bollineni's name has been published in the list of directors disqualified under Section 164(2) of the Companies Act (**"Notification"**) on the website of the MCA in relation to his directorship in Pulse Nano Surgical Equipments Private Limited. In this regard, Dr. Abhinay Bollineni filed a writ petition before the High Court, Hyderabad and the High Court, Hyderabad vide interim order dated December 5, 2017 directed restoration of his DIN to enable him to submit annual returns for the last three financial years and the financial statement by December 30, 2017. See case 2 in 'Outstanding Litigation and Material Developments – Litigation involving our Promoters - Criminal proceedings against our Promoters' on page 368.*

Capital structure and shareholding pattern

The authorised share capital of KIMS Hospital (Bhubaneswar) Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KIMS Hospital (Bhubaneswar) Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of KIMS Hospital (Bhubaneswar) Private Limited is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	Krishna Institute of Medical Sciences Limited	9,999	99.99
2.	Dr. Abhinay Bollineni*	1	0.01
Total		**10,000**	**100.00**

* *The Company is the beneficial owner of the equity share held by Dr. Abhinay Bollineni.*

4. KIMS Hospitals Private Limited

Corporate information

KIMS Hospitals Private Limited was incorporated on December 10, 2014, under the Companies Act, 2013 with the RoC. Its CIN is U85110AP2014PTC095812 and its registered office is situated at #78-7-15/1, SSR Plaza, Gandhipuram-3, Near Sri Gowthami School, Danavaipet, Rajahmundry 533 103, Andhra Pradesh, India.

KIMS Hospitals Private Limited is enabled under its objects to *inter alia* establish and run hospitals; and to develop and run educational institutions like schools and colleges. It is currently not engaged in any business activities.

The board of directors of KIMS Hospitals Private Limited comprises the following persons:

1. Dr. Bhaskar Rao Bollineni; and
2. Swarna Ram Mohan

Capital structure and shareholding pattern

The authorised share capital of KIMS Hospitals Private Limited is ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KIMS Hospitals Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of KIMS Hospitals Private Limited is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	Krishna Institute of Medical Sciences Limited	9,980	99.80
2.	Dr. Bhaskar Rao Bollineni*	10	0.10
3.	Swarna Ram Mohan*	10	0.10
Total		**10,000**	**100.00**

* *The Company is the beneficial owner of the 20 equity shares (in aggregate) held by Dr. Bhaskar Rao Bollineni and Swarna Ram Mohan.*

5. KIMS Sahariah Healthcare Private Limited

Corporate information

KIMS Sahariah Healthcare Private Limited was incorporated on August 24, 2016, under the Companies Act, 2013 with the Jurisdictional Registrar of Companies, Assam. Its CIN is U85200AS2016PTC017550 and its registered office is situated at H. No. 15, Chilairai Path, Daraka Nagar, Sixmile, Khanapara, Guwahati, Kamrup 781 022, Assam, India.

KIMS Sahariah Healthcare Private Limited is enabled under its objects to *inter alia* establish and run hospitals; and to develop and run educational institutions like schools and colleges. It is currently not engaged in any business activities.

The board of directors of KIMS Sahariah Healthcare Private Limited comprises the following persons:

1. Dr. Sarbeswar Sahariah; and
2. Dr. Abhinay Bollineni.

Capital structure and shareholding pattern

The authorised share capital of KIMS Sahariah Healthcare Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KIMS Sahariah Healthcare Private Limited is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of KIMS Sahariah Healthcare Private Limited is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	Krishna Institute of Medical Sciences Limited	9,990	99.90
2.	Dr. Sarbeswar Sahariah	10	0.10
	Total	**10,000**	**100.00**

6. KIMS Swastha Private Limited

Corporate information

KIMS Swastha Private Limited was incorporated on October 6, 2015 under the Companies Act, 2013 with the Registrar of Companies, Madhya Pradesh. Its CIN is U85110MP2015PTC034786 and its registered office is situated at Indore – 153, Chhoti Khajrani, AB Road, Indore 452 011, Madhya Pradesh, India.

KIMS Swastha Private Limited is enabled under its objects to *inter alia* establish and run hospitals, nursing homes, dispensaries and diagnostic centres. It is currently not engaged in any business activities.

The board of directors of KIMS Swastha Private Limited comprises the following persons:

1. Dr. Bhaskar Rao Bollineni;
2. Dr. Abhinay Bollineni*; and
3. Dr. Anitha Dandamudi.

** Dr. Abhinay Bollineni's name has been published in the list of directors disqualified under Section 164(2) of the Companies Act (**"Notification"**) on the website of the MCA in relation to his directorship in Pulse Nano Surgical Equipments Private Limited. In this regard, Dr. Abhinay Bollineni filed a writ petition before the High Court, Hyderabad and the High Court, Hyderabad vide interim order dated December 5, 2017 directed restoration his DIN to enable him to submit annual returns for the last three financial years and the financial statement by December 30, 2017. See case 2 in 'Outstanding Litigation and Material Developments – Litigation involving our Promoters - Criminal proceedings against our Promoters' on page 368.*

Capital structure and shareholding pattern

The authorised share capital of KIMS Swastha Private Limited is ₹ 100,000 million divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KIMS Swastha Private Limited is ₹ 100,000 million, divided into 10,000 equity shares of ₹ 10 each.

The shareholding pattern of KIMS Swastha Private Limited is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	Krishna Institute of Medical Sciences Limited	9,998	99.98
2.	Dr. Bhaskar Rao Bollineni*	1	0.01
3.	Dr. Abhinay Bollineni*	1	0.01
Total		**10,000**	**100.00**

* *The Company is the beneficial owner of the 2 equity shares (in aggregate) held by Dr. Bhaskar Rao Bollineni and Dr. Abhinay Bollineni.*

Associates of our Company

Currently, our Company has one Associate, namely KIMS Hospital Enterprises Private Limited. For further details on KIMS Hospital Enterprises Private Limited, see *"Our Group Companies"* on page 186.

Common Pursuits

The respective memorandums of association of our Subsidiaries and Associate Company allow them to undertake business similar to that of our Company.

Business interest between our Company, Subsidiaries and Associate Company

Except as disclosed in "*Our Business*" and "*Related Party Transactions*" on pages 122 and 191 respectively, in terms of the Restated Financial Statements, none of the Subsidiaries and Associate Company have any business interest in our Company.

Other confirmations

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad, nor have any of our Subsidiaries been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad. Further, none of our Subsidiaries have made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

Sick Subsidiaries

None of our Subsidiaries had become sick companies under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up, insolvency or bankruptcy proceedings have been initiated against any of our Subsidiaries.

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries not accounted for by our Company in its consolidated financial statements.

Sale or purchase of shares of our Subsidiaries or Associate Company during the last six months

None of our Promoters, the other members of our Promoter Group, directors of BRMH, our Corporate Promoter, or our Directors or their relatives have sold or purchased any equity shares or other specified securities of our Subsidiaries and Associate Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Sale or purchase between our Company, its Subsidiaries and Associate Company

There have been no sales or purchase between our Company and any of our Subsidiaries or Associate Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Strategic and financial partnerships

As on date of this Draft Red Herring Prospectus, our Company has no strategic or financial partners.

Guarantees given by the Promoter Selling Shareholders

Except as stated below, our Promoter Selling Shareholders have not provided any guarantees in relation to loans availed by our Company:

Seenaiah Bollineni, one of our Promoter Selling Shareholders, has guaranteed 14 facilities availed by the Company from three commercial banks and financial institutions, amounting in aggregate to ₹ 3,989 million. As October 31, 2017, an aggregate amount of ₹ 2,236.68 million was outstanding on part of the Company with respect to such facilities.

Dr. Bhaskar Rao Bollineni, one of our Promoter Selling Shareholders, has guaranteed 21 facilities availed by the Company from six commercial banks and financial institutions, amounting in aggregate to ₹ 4,468.57 million. As on October 31, 2017, an aggregate amount of ₹ 2,565.45 million was outstanding on part of the Company with respect to such facilities.

Typically, the period of guarantee subsists during the tenure of the facility. Any default or failure by our Company to repay these loans in a timely manner, or at all, could trigger repayment obligations on the part of Seenaiah Bollineni. For details, see "*Risk Factors - Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business.*" and "*Financial Indebtedness*" on pages 29 and 358 respectively.

OUR MANAGEMENT

Pursuant to our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors, excluding nominee directors appointed by any financial institutions or any other institutions or banks. Our Company currently has eight Directors on its Board, including four independent Directors.

Our Board

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

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Krishnaiah Bollineni *Designation:* Non-executive Chairman *Address:* D. No. 8-2-546/2, Road No. 7, Banjara Hills, Hyderabad 500 034, Telangana, India *Occupation*: Business *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00025094	74	1. Aishu Dreamlands Limited 2. Amar Bio-Tech Limited 3. Beekay Dreamlands Private Limited 4. Bollineni Developers Limited 5. Bollineni Farm Services Private Limited 6. BSCPL Infrastructure Limited 7. BSCPL Aurang Tollway Limited 8. Chebrolu Hanumaiah and Brothers Private Limited 9. Krishnaiah Projects Private Limited 10. Sri BDL Real Estates Private Limited 11. Traditional Bharat Kala Arts and Crafts
Dr. Bhaskar Rao Bollineni *Designation:* Managing Director and CEO *Address:* 300A, Road No-12, MLA Colony, Banjara Hills, Hyderabad 500 034, Telangana, India *Occupation*: Doctor *Nationality:* Indian *Term:* Liable to retire by rotation. *DIN:* 00008985	64	1. Amar Bio-Tech Limited 2. Bollineni Ramanaiah Memorial Hospitals Private Limited 3. KIMS Cuddles Private Limited 4. KIMS Hospitals Private Limited 5. KIMS Swastha Private Limited 6. KIMS Hospital (Bhubaneswar) Private Limited
Anitha Dandamudi *Designation:* Whole-time Director *Address:* Plot No. 1240, Road No. 62, Jubilee Hills, Hyderabad 500 033, Telangana, India. *Occupation*: Service *Nationality:* Indian *Term:* Liable to retire by rotation. *DIN:* 00025480	47	1. Anitha Dreamlands Private Limited 2. Anitha Housing Private Limited 3. BSC-C and C- Kurali Toll Road Limited 4. BSCPL Infrastructure Limited 5. Krishnaiah Projects Private Limited 6. KIMS Swastha Private Limited 7. Sri BK and BS Realtors Private Limited 8. Sri Viswa Medicare Limited (*formerly known as Reliance Medicare Limited*)
Padmanabhaiah Jankiramiah Kantipudi *Designation:* Independent Director	79	1. Jaya Diagnostic and Research Centre Limited 2. Vattikuti India Foundation

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Address: 8-2-684/1/14, Road no. 12, near Kankadurga Temple, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India. *Occupation*: Service *Nationality:* Indian *Term:* Period of two years commencing from August 26, 2016 *DIN:* 02970629		
Jyothi Prasad *Designation:* Independent Director *Address:* A-903, Jagat Vidya CHS, near Gurunanak Hospital, Bandra East, Mumbai 400 051, Maharashtra, India *Occupation*: Service *Nationality:* Indian *Term:* Period of two years commencing from August 26, 2016 *DIN:* 06947488	54	1. Karvy Financial Services Limited 2. Karvy Stock Broking Limited
Amitabha Guha *Designation:* Independent Director *Address:* DL-182, Salt Lake, Sector II, Bidhannagar (East), North 24 Parganas, Kolkata – 700 091, West Bengal, India. *Occupation*: Retired banker *Nationality:* Indian *Term:* Period of two years commencing from January 24, 2017 *DIN:* 02836707	69	1. Xpro India Limited 2. BKM Industries Limited (*previously known as Manaksia Industries Limited*) 4. Khazana Jewellery Private Limited 3. Ramkrishna Forgings Limited 4. Gangavaram Port Limited 5. Support Elders Private Limited
Rajeswara Rao Gandu *Designation:* Independent Director *Address:* Villa No. 34, Lumbini SLN Springs, Gachibowli, Hyderabad 500 032, Telangana, India. *Occupation*: Pensioner *Nationality:* Indian *Term:* Period of two years commencing from January 24, 2017 *DIN:* 05339318	65	Nil

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Sanjeev Sehrawat *Designation:* Non-executive (Nominee) Director* *Address:* Flat No. 1201, 12th Floor, Akruti Nova-A-Building, Saiwadi, N S Phadke Road, Andheri East, Mumbai 400 069, Maharashtra, India *Occupation*: Service *Nationality:* Indian *Term:* Not liable to retirement by rotation *DIN:* 02887484	48	1. Clininvest Holdings Private Limited 2. Vijay Nirman Company Private Limited 3. Catasynth Speciality Chemicals Private Limited 4. Anthea Aromatics Private Limited 5. Sohan Lal Commodity Management Private Limited 6. Swiss Bioscience (*Foreign company*)

* *Nominee of India Advantage Fund.*

Brief profiles of our Directors

Krishnaiah Bollineni, aged 74 years, is the Chairman of our Board. He is one of our Promoters and has been associated with our Company since November 15, 2002, initially as a director as part of the erstwhile management of the Company and subsequently as the managing director of our Company from April 1, 2004 till March 20, 2008 and as our Chairman since December 10, 2002. He holds a master's degree in hydraulics engineering from Osmania University, Hyderabad. He has experience in construction and other related fields. He served a term of five years from 1999 - 2003 as member of the State Legislative Assembly from Atmakur in Nellore district, Andhra Pradesh.

Dr. Bhaskar Rao Bollineni, aged 64 years, is the Managing Director and CEO of our Company. He has been associated with our Company since November 1, 2002 initially as a director as part of the erstwhile management of the Company, CEO since April 1, 2004 and as the Managing Director since March 21, 2008. He holds a bachelor's degree in medicine and surgery from Andhra University and a master's degree in science from Madras Medical College, Chennai. He has over 25 years of experience in cardiothoracic surgery and has in the past held various positions with Apollo Hospitals, Medwin Hospitals and Mahavir Hospitals. He was also a member of the committee which formed the Rajiv Gandhi Aarogyasri Scheme for Andhra Pradesh. He also received a lifetime achievement award in cardiology and cardio-thoracic surgery in Times Healthcare Achievers, Telugu States, 2017.

Anitha Dandamudi, aged 47 years, is a whole-time Director of our Company. She has been associated with our Company since 2004 initially as our Director – Operations, as our non-Executive Director from March 21, 2008 and as our whole-time Director since April 1, 2016. She holds a diploma in business management from the ICFAI University, certification for Hospital Administration from IIM-A and certifications for six-Sigma green belt, ISO Auditor and NABH Auditor. She has over 16 years of experience and has in the past held various positions with E-talent Software Limited and our Company.

Padmanabhaiah Jankiramiah Kantipudi, aged 79 years, is an independent Director of our Company. He has been associated with our Company as our independent Director since August 26, 2016. He holds a master's degree in science from the Andhra University and a master's degree in financial management from the Jamnalal Bajaj Institute of Management, Mumbai. He has over 50 years of experience in the Indian Administrative Services and has in the past held various positions with the Government of Maharashtra including as the director of sugar co-operatives, District Collector (Nashik), Principal Secretary (Planning), Principal Secretary (Finance), and Municipal Commissioner of Greater Bombay. He was awarded the Padma Bhushan by the President of India in the year 2008.

Jyothi Prasad, aged 54 years, is an independent Director of our Company. She has been associated with our Company since August 26, 2016 as an independent Director. She holds a Bachelor of Laws degree from Gopaldas Jhamatlal Advani Law College, Mumbai, Post-Graduate Diploma in management from the Indian Institute of Management, Ahmedabad and a degree of Master of Commerce from University of Madras. She was also awarded the British Chevening Scholarship by the Foreign and Commonwealth Office to study at London School of Economics from 2000-2001. She has over 29 years of experience in investment banking and has in the past held various positions with American Orient Capital Partners India Private Limited as a senior Vice-President, with N M Rothschild & Sons as Director (Finance), with Peregrine India as Vice President-Corporate Finance and Merchant Banking and with SBI Capital Markets Limited as management trainee.

Amitabha Guha, aged 69 years, is an independent Director of our Company. He has been associated with our Company since January 24, 2017. He holds a bachelor's degree in science in botany from the University of Calcutta and a master's degree in science in botany from the University of Calcutta. He has in the past held positions with State Bank of Hyderabad as its managing director, State Bank of Travancore as its managing director and with South Indian Bank as its director and part-time chairman.

Rajeswara Rao Gandu, aged 65 years, is an independent Director of our Company. He has been associated with our Company since January 24, 2017. He holds a bachelor's degree in science from Andhra University and a bachelor's degree in law from Osmania University. He also attended the Advanced Management Course at the Royal Institute of Public Administration, London. He has over 40 years of experience as a civil servant and worked in the Department of Supply, Government of India from December, 1974 till July, 1978. He joined Indian Revenue Service in July, 1978, where he various positions including that of the Secretary, Central Board of Direct Taxes (New Delhi), Joint/Additional Director of Income-tax (Investigation) (Hyderabad), Commissioner of Income-tax in Bangalore and Nagpur, Director General of Income-tax (Investigation) (Bangalore) and Chief Commissioner of Income-tax (Hyderabad). He also held the position of Insurance Ombudsman (Andhra Pradesh, Karnataka and Telangana). He has also won the Finance Minister's Gold Medal for academic excellence and served on the editorial board of 'Let us Share' which is an annual publication of the Income-tax department.

Sanjeev Sehrawat, aged 48 years, is a Non-executive (Nominee) Director of our Company. He has been associated with our Company since 2014 as a Non-executive (Nominee) Director of India Advantage Fund. He holds a bachelor's degree of Science (Hons.) in Physics from Maharshi Dayanand University, Rohtak, a Post Graduate Diploma in management from the Indian Institute of Management, Bangalore. He has over 20 years of experience in finance and banking, including 14 years in various positions with ICICI Bank. Since 2010, he has been working with ICICI Venture Funds Management Company Limited and currently holds the post of Senior Director – Private Equity.

Relationship between Directors

Except as stated below, none of our Directors are related to each other.

Name of the Directors	Relationship
Krishnaiah Bollineni and Dr. Bhaskar Rao Bollineni	Brothers

Remuneration details of our Directors

(1) Remuneration details of our executive Directors

Dr. Bhaskar Rao Bollineni

Pursuant to a resolution of our Board dated January 24, 2017 and a resolution of our shareholders dated March 21, 2017, Dr. Bhaskar Rao Bollineni was last re-appointed as our Managing Director and CEO for a term of five years with effect from April 1, 2017. During Fiscal Year 2017, Dr. Bhaskar Rao Bollineni received ₹ 9 million as remuneration from the Company. Additionally, Dr. Bhaskar Rao Bollineni received ₹ 24.20 million as consultancy fees from the Company in Fiscal Year 2017.

Pursuant to a resolution of our Board dated January 24, 2017 and shareholders' resolution dated March 21, 2017, Dr. Bhaskar Rao Bollineni is entitled to the following remuneration with effect from April 1, 2017:

Particulars	Remuneration (In ₹)
All inclusive monthly remuneration	2,000,000

Particulars	Remuneration (In ₹)
Total remuneration	2,000,000

Other than the aforementioned remuneration and as disclosed in "- *Interest of Directors*" on page 167, Dr. Bhaskar Rao Bollineni is not entitled to any other compensation or benefits.

Anitha Dandamudi

Pursuant to a resolution of our Board dated May 6, 2016 and a resolution of our shareholders dated August 26, 2016, Anitha Dandamudi was appointed as a whole time Director of our Company for a term of three years with effect from April 1, 2016. During Fiscal Year 2017, Anitha Dandamudi received ₹ 3 million as remuneration and ₹ 0.01 million as sitting fees from the Company.

Pursuant to a resolution of our Board dated May 6, 2016, Anitha Dandamudi is entitled to the following remuneration with effect from April 1, 2016:

Particulars	Remuneration (In ₹)
All inclusive monthly remuneration	250,000
Total remuneration	250,000

Other than the aforementioned remuneration, Anitha Dandamudi is not entitled to any other compensation or benefits.

(2) Remuneration details of our non-executive and independent Directors

Pursuant to the resolution of our Board dated May 6, 2016, our non-executive and independent Directors are entitled to receive sitting fees of ₹ 25,000 for attending each meeting of our Board. In addition to this, our Directors are entitled to additional reimbursement like expenses for travelling and other out of pocket expenses. Details of the sitting fees paid made to our non-executive Directors, including our independent Directors, during Fiscal Year 2017 are set forth below.

Name of Director	Designation	Sitting fees paid (In ₹)
Krishnaiah Bollineni	Non-executive Chairman	235,000
Padmanabhaiah Jankiramiah Kantipudi	Independent Director	100,000
Jyothi Prasad	Independent Director	75,000
Amitabha Guha	Independent Director	25,000
Rajeswara Rao Gandu	Independent Director	25,000
Sanjeev Sehrawat	Non-executive (Nominee) Director	Not Applicable

Remuneration paid or payable from our Subsidiaries and Associate Company

None of our Directors have received any remuneration from our Subsidiaries and Associate Company for the Fiscal Year 2017.

Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors

Our Articles do not require our Directors to hold any qualification shares.

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

Name	No. of Equity Shares	% of pre-Offer equity share capital
Dr. Bhaskar Rao Bollineni	19,756,664	27.58
Krishnaiah Bollineni	173,944	0.24

Details of our Directors who hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Name of the Subsidiary	No. of Equity Shares	Percentage of issued capital of the Subsidiary
Dr. Bhaskar Rao Bollineni	KIMS Hospitals Private Limited	10*	0.10
Dr. Bhaskar Rao Bollineni	KIMS Swastha Private Limited	1*	0.01

* *Dr. Bhaskar Rao Bollineni is the registered owner of these shares and the beneficial owner of these shares is our Company.*

None of our Directors hold equity shares in our Associate Company as on the date of this Draft Red Herring Prospectus.

Service contracts with Directors

There are no service contracts that have been entered into with any of our Directors which provide for benefits upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, as applicable. Further, Dr. Bhaskar Rao Bollineni receives annual rent from the Company with respect to certain plots of land in favour of our Company, where KIMS Nellore is situated. For further details of the rent paid to Dr. Bhaskar Rao Bollineni for the Nellore property since Fiscal Year 2013, please refer to Annexure XXVIII A of the Restated Standalone Financial Statements and Annexure XXVIII A of the Restated Consolidated Financial Statements.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. For further details regarding the shareholding of our Directors, see "*Shareholding of our Directors*" on page 166.

Certain of our Directors may also be regarded as interested in the Equity Shares held by them. Further, certain Directors may also be deemed to be interested in Equity Shares that may, pursuant to this Offer, be subscribed by or Allotted to them, their relatives, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters.

Our Non-executive (Nominee) Director may be deemed to be interested to the extent of the shareholding in our Company of the entity nominating him.

Other than as disclosed in Annexure XXVIII A of the Restated Standalone Financial Statements, none of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

None of our Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations.

Our Directors, Dr. Bhaskar Rao Bollineni, Anitha Dandamudi and Krishnaiah Bollineni are also directors and/or promoters of some of our Group Companies and Subsidiaries and may be deemed to be interested to the extent of their shareholding and transactions in such entities and payments made between our Company and the Group Companies or such Subsidiaries, if any. For further details, please refer to *"Financial Statements"* on page 193.

No loans have been availed by our Directors from our Company.

Interest in promotion of our Company

Except Dr. Bhaskar Rao Bollineni and Krishnaiah Bollineni who are Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus.

Interest in property

Our Directors have no interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Payment of benefits (non-salary related)

Except as disclosed in "- *Interest of Directors*", no non-salary related amount or benefits were paid or were intended to be paid to our Directors within the two preceding years from the date of filing of this Draft Red Herring Prospectus.

Appointment of relatives to a place of profit

Except as stated below, none of the relatives of our Directors have been appointed to an office or place of profit with our Company.

Related Parties	Office or place of profit	Relationship with the Director
Dr. Abhinay Bollineni	Vice President – Marketing and Business Strategy	Son of Dr. Bhaskar Rao Bollineni
Dr. Sweata Raavi	Professional Consultant	Daughter-in-law of Dr. Bhaskar Rao Bollineni

Business interest

Except as stated in this section, our Directors do not have any other interest in our business or our Company.

Confirmations

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on BSE or NSE.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s).

None of our Directors have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

For details of our Directors' association with the securities market, see "*Other Regulatory and Statutory Disclosures*" on page 380.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of change	Reasons
Anitha Dandamudi	April 1, 2016	Appointment as whole-time director*
Padmanabhaiah Jankiramiah Kantipudi	August 26, 2016	Appointment as independent director
Jyothi Prasad	August 26, 2016	Appointment as independent director
Rajendra Kumar Premchand	January 24, 2017	Resignation as non-executive director
Kodali Venkata Krishna Kumar	January 24, 2017	Resignation as non-executive director
Kameswara Rao Bhagwati	January 24, 2017	Resignation as independent director
Kolappa Thanu Pillai	January 24, 2017	Resignation as independent director
Amitabha Guha	January 24, 2017	Appointment as independent Director
Rajeswara Rao Gandu	January 24, 2017	Appointment as independent Director

* *Change in designation from non-executive Director to whole-time Director.*

Borrowing Powers

Pursuant to a special resolution of the shareholders of our Company passed at the AGM held on August 26, 2016, our Board has been authorised to borrow, from time to time any sum or sums of money, by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding ₹ 6,000 million on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon listing of the Equity Shares on the Stock Exchanges.

Our Chairman is a non-executive Director. Our Company currently has eight Directors, of which two are executive Directors, and six are non-executive Directors, including four independent Directors and one non-executive (Nominee) director. Our Board has two women Directors. Our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations and the Companies Act, 2013, particularly in relation to composition of our Board of Directors and constitution of board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit and Risk Management Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders Relationship Committee; and
(d) Corporate Social Responsibility Committee.

In addition to the above committees, our Board has also constituted (i) a capital expenditure committee which is responsible for governing and recommending any capital expenditure by the Company, above a threshold of ₹ 15 million; (ii) a borrowing committee which is responsible for borrowing funds from banks or financial institutions, up to a limit of ₹ 100 crore; and (iii) an IPO Committee for the Offer.

Audit and Risk Management Committee

The Audit and Risk Management Committee currently consists of:

Name	Position in the committee	Designation
Padmanabhaiah Jankiramiah Kantipudi	Chairman	Independent Director
Amitabha Guha	Member	Independent Director
Jyothi Prasad	Member	Independent Director
Sanjeev Sehrawat	Member	Non-executive (Nominee) Director

Our Audit Committee was constituted by a resolution of our Board dated August 31, 2010, and was last reconstituted on January 24, 2017, as Audit and Risk Management Committee, in compliance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The terms of reference of the Audit and Risk Management Committee include the following:

(i) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) approve payment to statutory auditors for any other services rendered by them;

(iv) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (a) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
  (b) changes, if any, in accounting policies and practices and reasons for the same;
  (c) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  (d) significant adjustments made in the financial statements arising out of audit findings;
  (e) compliance with listing and other legal requirements relating to financial statements;
  (f) disclosure of any related party transactions; and
  (g) modified opinion(s) in the draft audit report.

(v) Review, with the management, the quarterly financial statements before submission to the board of directors for their approval;

(vi) Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(viii) Approve or subsequently modify transactions of the Company with related parties;

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

(ix) Scrutinise inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluate internal financial controls and risk management systems;

(xii) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discuss with internal auditors of any significant findings and follow up there on;

(xv) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(xvi) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the whistle blower mechanism;

(xix) Approve the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and

(xxi) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

(xxii) To oversee the compliance related policies, procedures as mentioned by the National Accreditation Board for Hospitals & Healthcare providers (NABH).

The Audit & Risk Management Committee shall mandatorily review the following information:

(i) Management discussion and analysis of financial condition and results of operations;
(ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
(iii) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
(iv) Internal audit reports relating to internal control weaknesses;
(v) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
(vi) statement of deviations in terms of the SEBI Listing Regulations:

    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
    (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice."

The powers of the Audit & Risk Management Committee shall include the following:

(i) to investigate any activity within its terms of reference;
(ii) to seek information from any employee of the Company;
(iii) to obtain outside legal or other professional advice; and
(iv) to secure attendance of outsiders with relevant expertise, if it considers necessary."

Nomination and Remuneration Committee

The Nomination and Remuneration Committee currently consists of:

Name	Position in the committee	Designation
Rajeswara Rao Gandu	Chairman	Independent Director

Name	Position in the committee	Designation
Amitabha Guha	Member	Independent Director
Sanjeev Sehrawat	Member	Non-executive (Nominee) Director

Our Nomination and Remuneration committee was constituted by a resolution of our Board dated September 30, 2014 in compliance with Section 178 of the Companies Act, 2013, and last reconstituted on January 24, 2017. The terms of reference of the Nomination and Remuneration Committee include the following:

(i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors);
(ii) formulate the criteria for determining qualifications, positive attributes and independence of a director;
(iii) devise a policy on diversity of the Board;
(iv) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
(v) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

    (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(vi) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

    (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
    (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(vii) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee currently comprises of:

Name	Position in the committee	Designation
Padmanabhaiah Jankiramiah Kantipudi	Chairman	Independent Director
Amitabha Guha	Member	Independent Director
Anitha Dandamudi	Member	Whole-time Director

Our Stakeholders Relationship Committee was formed by re-constituting our share transfer and allotment committee by a resolution of our Board dated January 24, 2017, in compliance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee include the following:

(a) redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

(b) giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
(c) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
(d) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee currently comprises of:

Name	Position in the committee	Designation
Rajeswara Rao Gandu	Chairman	Independent Director
Bhaskar Rao Bollineni	Member	Managing Director and Chief Executive Officer
Padmanabhaiah Jankiramiah Kantipudi	Member	Independent Director

The CSR Committee was constituted by a resolution of our Board dated March 13, 2014 and last reconstituted on January 24, 2017 in compliance with Section 135 of the Companies Act, 2013. The terms of reference of the CSR Committee include the following:

(a) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
(b) To recommend the amount of expenditure to be incurred on the activities referred to in (a);
(c) To monitor the Corporate Social Responsibility Policy of the company from time to time;
(d) To do such other acts, deeds and things as may be required to comply with the applicable laws; and
(e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

IPO Committee

In addition to above committees, our Board has also constituted an IPO Committee pursuant to a resolution dated May 6, 2016, last reconstituted on January 24, 2017, which currently comprises of:

Name	Position in the committee	Designation
Jyothi Prasad	Chairman	Independent Director
Dr. Bhaskar Rao Bollineni	Member	Managing Director and CEO
Anitha Dandamudi	Member	Whole-time Director
Amitabha Guha	Member	Independent Director
Sanjeev Sehrawat	Member	Non-executive (Nominee) Director

The terms of reference of the IPO Committee of our Company include the following:

(i) to decide on the IPO size (including any reservation for employees, and/or any other reservations or firm allotments as may be permitted, green shoe option and/ or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors etc.) and all other terms and conditions of the IPO, including the price, premium, discount (as permitted under Applicable Laws) and to make any amendments, modifications, variations or alterations thereto;

(ii) to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and file such papers and documents, including a copy of the Draft Red Herring Prospectus filed with Securities and Exchange Board of India, as may be required for the purpose;

(iii) to take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

(iv) to invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;

(v) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

(vi) giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(vii) to appoint and enter into arrangements with the BRLMs, underwriters to the IPO, syndicate members to the IPO, brokers to the IPO, advisors to the IPO, escrow collection banks to the IPO, registrars to the IPO, refund banks to the IPO, public issue account banks to the IPO, legal counsel, advertising agencies and any other agencies or persons or intermediaries to the IPO and to negotiate and finalise the terms of their appointment;

(viii) to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements including without limitation customers, suppliers, strategic partners of the Company, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the IPO, if any;

(ix) to make applications to, seek clarifications and obtain approvals from, if necessary, the FIPB, the RBI, the SEBI or any other statutory or governmental authorities in connection with the IPO and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus;

(x) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLM's mandate letter, the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto , including with respect to the payment of commissions, brokerages and fees, with the BRLMs, registrar to the IPO, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

(xi) approving the draft red herring prospectus (**"DRHP"**), the red herring prospectus (**"RHP"**) and the prospectus (**"Prospectus"**) (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the IPO together with any addenda, corrigenda and supplement thereto as finalised in consultation with the BRLMs, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines;

(xii) seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

(xiii) to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(xiv) to make applications for listing of the Equity Shares on the Stock Exchange for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

(xv) accept and appropriate proceeds of the fresh issue in accordance with the Applicable Laws;

(xvi) to do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(xvii) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;

(xviii) to withdraw the DRHP or the RHP or to decide not to proceed with the IPO at any stage in accordance with the SEBI ICDR Regulations and applicable laws;

(xix) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, in consultation with the BRLM, deem necessary or desirable for the IPO., including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;

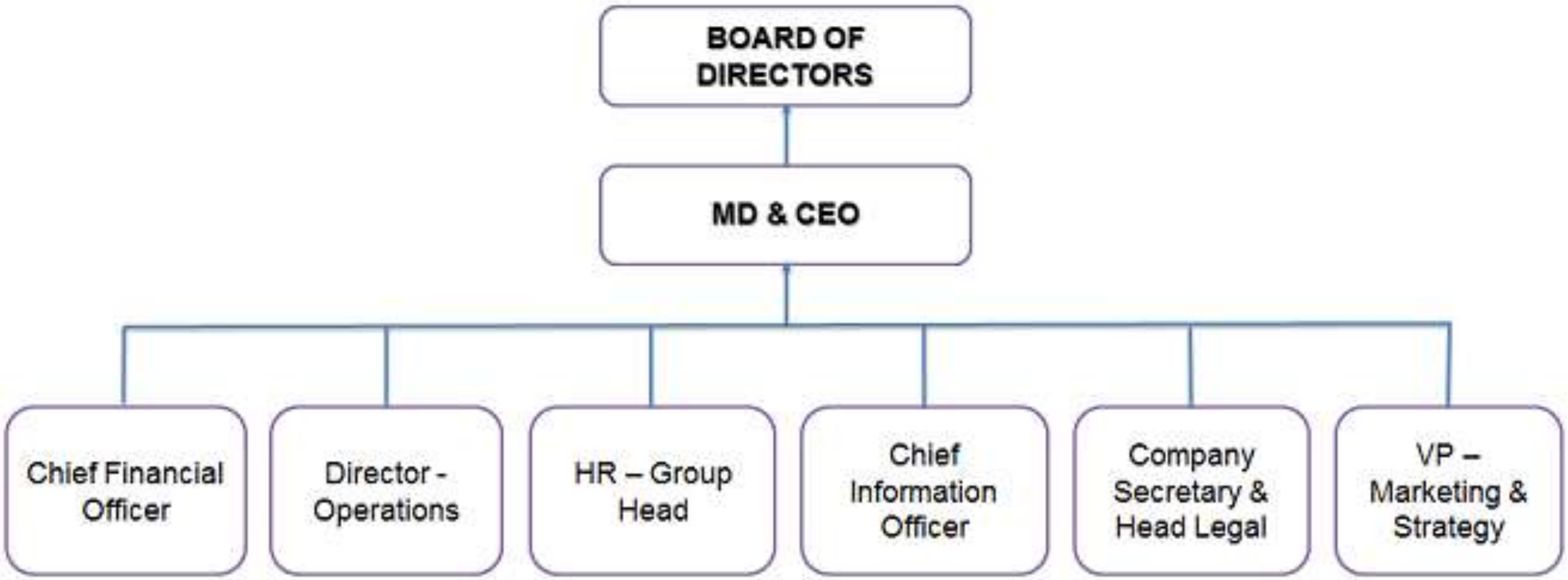
(xx) to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the IPO, including with respect to the issue, offer or allotment of the Equity Shares, terms of the IPO, utilisation of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;

(xxi) to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;

(xxii) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing; and

(xxiii) to delegate any of the powers mentioned in (i) to (xxii) to such persons as the IPO Committee may deem necessary.

Management Organisation Structure



Key Management Personnel

The following persons are the Key Management Personnel of our Company:

1. Dr. Bhaskar Rao Bollineni, Managing Director and Chief Executive Officer;
2. Anitha Dandamudi, Whole-time Director;
3. Vikas Maheshwari, Chief Financial Officer; and
4. Uma Shankar Mantha, Company Secretary.

Dr. Bhaskar Rao Bollineni, Managing Director and CEO, Anitha Dandamudi, Whole-time Director, Vikas Maheshwari, Chief Financial Officer and Uma Shankar Mantha, Company Secretary, are also Key Management Personnel of our Company as defined in Section 2(51) of the Companies Act, 2013.

All the Key Management Personnel are permanent employees of our Company.

Brief profiles of our Key Management Personnel

For a brief profile of Dr. Bhaskar Rao Bollineni, Managing Director and Chief Executive Officer and Anitha Dandamudi, Whole-time Director, see "*Brief Profiles of our Directors*" above on page 162.

The details of our other Key Management Personnel as of the date of this Draft Red Herring Prospectus are set forth below:

Vikas Maheshwari, aged 44 years, is the Chief Financial Officer of our Company. He has been associated with our Company since May 1, 2017 as the Chief Financial Officer. He holds a degree of bachelors of commerce from Lucknow University and has been admitted as an associate of the Institute of Chartered Accountants of India. He has over 20 years of experience in finance and accounting and has in the past held various positions with M/s. Endurance Technologies Limited, M/s Aurobindo Pharma Limited, M/s ABP Private Limited, M/s Gati Limited and M/s Limtex Tea & Industries Limited. He did not receive any remuneration in Fiscal Year 2017 as he was appointed in Fiscal Year 2018.

Uma Shankar Mantha, aged 43 years, is the Company Secretary of our Company. He has been associated with our Company as GM- Legal and Company Secretary since July 1, 2015. He holds a degree of bachelor of commerce from Osmania University and a degree of law from Osmania University and is a registered associate with The Institute of Company Secretaries of India. He has over 12 years of experience in the secretarial and legal sectors and has in the past held various positions including, with Columbia Asia Hospitals Private Limited as its legal manager and company secretary, with IVRCL Assets & Holdings Ltd. as its senior officer (secretarial), Lanco Wind Power Private Limited as its company secretary and with S. Chidambaram as a trainee. He received a gross remuneration of ₹ 1.46 million in Fiscal Year 2017.

Relationship among Key Management Personnel

None of our Key Management Personnel are related to each other.

Bonus or profit sharing plan for the Key Management Personnel

Except for the payments and compensation required to be paid under the laws of India, there is no profit sharing plan for the Key Management Personnel of the Company. Our Company does not make bonus/incentive payments to the Key Management Personnel at the end of every Fiscal Year.

Shareholding of Key Management Personnel

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

Name	No. of Equity Shares	% of pre-Offer Equity Share capital
Dr. Bhaskar Rao Bollineni	19,756,664	27.58

Details of our Key Management Personnel who hold equity shares in our Subsidiaries and Associate Company as on the date of this Draft Red Herring Prospectus are as follows:

Name of KMP	Name of Subsidiary/Associate	No. of equity shares	Percentage of issued capital of the Subsidiary
Dr. Bhaskar Rao Bollineni*	KIMS Hospitals Private Limited	10	0.10
Dr. Bhaskar Rao Bollineni*	KIMS Swastha Private Limited	1	0.01

* *Dr. Bhaskar Rao Bollineni is the registered owner of these shares and the beneficial owner of these shares is our Company.*

Service Contracts with Key Management Personnel

Except for terms set forth in the appointment letters, our Key Management Personnel have not entered into any other contractual arrangements with our Company or our Subsidiaries, as the case may be. Our Company has not entered into any service contracts, pursuant to which our Key Management Personnel, are entitled to benefits upon termination of employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Directors or Key Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of their shareholding in our Company and certain Subsidiaries, remuneration from our Company and certain subsidiaries, benefits and reimbursement of expenses incurred by them in the ordinary course of business. For details of interest of Directors who are also KMPs, see "*Interest of Directors*" on page 167.

No loans have been availed by the Key Management Personnel from our Company.

Contingent and deferred compensation payable to Key Management Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel which does not form part of their remuneration.

Changes in Key Management Personnel during the last three years

Changes in our Key Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus set forth below.

Name	Date of change	Reason
Uma Shankar Mantha	July 1, 2015	Appointment as Company Secretary
Govindrajan Krishnaswami	May 1, 2017	Resignation as Chief Financial Officer
Vikas Maheshwari	May 1, 2017	Appointment as Chief Financial Officer

Employee stock option and stock purchase schemes

Our Company does not have an employee stock option or stock purchase scheme.

Payment of non-salary related benefits to officers of our Company

Other than the medical benefits that are provided to our employees, no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Arrangements and understanding with major shareholders, customers, suppliers or others

Except for our non-executive (Nominee) Director, Sanjeev Sehrawat, nominated pursuant to the terms of the shareholders' agreement dated June 23, 2014 executed between the Company, persons at that time classified as 'promoters' of the Company, persons at that time classified as 'Other Shareholders' of the Company and IDBI Trusteeship Services Limited, as trustee for India Advantage Fund, none of our Directors or Key Management Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details of the shareholders' agreement pursuant to which Sanjeev Sehrawat was appointed on our Board, see "*History and Certain Corporate Matters – Material Agreements*" on page 153.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Dr. Bhaskar Rao Bollineni;
2. Krishnaiah Bollineni;
3. Seenaiah Bollineni;
4. Dr. Abhinay Bollineni; and
5. Bollineni Ramanaiah Memorial Hospitals Private Limited.

As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 30,103,168 Equity Shares, representing 42.03% of the issued and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 76.

The details of our Promoters are as follows:

1. Dr. Bhaskar Rao Bollineni

Identification Particulars	Details
Voter ID Number	WUT0350223
Driving License Number	AP00920110007457
Address	300A, MLA Colony, Road No-12, Banjara Hills, Hyderabad 500 034, India

Dr. Bhaskar Rao Bollineni, aged 64 years, is the Managing Director and CEO of our Company. For further details, see "*Our Management*" on page 162.

2. Krishnaiah Bollineni

Identification Particulars	Details
Voter ID Number	WUT0350462
Driving License Number	30801981OD
Address	H. No. 8-2-546/2, Road No. 7, Banjara Hills, Hyderabad – 500 034, India

Krishnaiah Bollineni, aged 74 years, is the non-executive Chairman of our Company. For further details, see "*Our Management*" on page 162.

3. Seenaiah Bollineni

Identification Particulars	Details
Voter ID Number	WUT0350199
Driving License Number	57862001OD
Address	21-26C, Golden Enclave, Beside KLR Farm House, Fort Grand Road, Rallagadda, Shamshabad, Hyderabad 501 218, India

Seenaiah Bollineni, aged 65 years, is our Promoter and he holds a master's degree in science in agriculture from Bapatla Agricultural College and a bachelor's degree in agriculture from SV Agriculture College, Tirupati. He has over 45 years of experience in road construction projects, in India as well as other countries. He is currently the managing director of BSCPL Infrastructure Limited and the chairman of groups of educational institutions namely, Ambitus World School group and Creek Planet Schools group. He was the chief delegate in the 42nd Convention of International Federation of Asian and Western Pacific Contractors Associations that was held in Japan. Additionally he also chaired the organising committee of XXVII All India Builders' Convention held in Hyderabad. Further, he is currently on the board of BDL Projects Private

Limited, Sri BDL Dhatri Developers Private Limited, Sri BDL Dreamlands Private Limited, Simhapuri Expressway Limited, Mokama-Munger Highway Limited, North Bihar Highway Limited, Patna Bakhtiyarpur Tollway Limited, BSCPL Aurang Tollway Limited, Construction Skill Development Council of India, Aishu Realtors Private Limited, BSC-C and C-Kurali Toll Road Limited, BSCPL Infra Projects Limited, BSCPL Infrastructure Limited, and Aishu Castings Limited. He is also a partner in Venkateswara Mining and Crushing.

4. Dr. Abhinay Bollineni

Identification Particulars	Details
Voter ID Number	TDZ1248567
Driving License Number	DLFAP009116802007
Address	300A, Road No-12, MLA Colony, Banjara Hills, Hyderabad – 500 034, India

Dr. Abhinay Bollineni* aged 29, is a Promoter and Vice-President - Business Development & Strategy of our Company. He holds bachelor's degree in medicine from the Deccan Medical College. He was the sole Indian participant in the International Visitor Leadership Program on Oncology: Research, Prevention and Treatment held by the U.S. Department of State where he undertook training in diagnosis, treatment methods, alternative therapies, support groups and follow-up care for cancer patients and their families. Additionally, he played a key role in establishing KIMS hospital at Kondapur in 2014. He is currently on the board of KIMS Hospital Enterprises Private Limited, KIMS Swastha Private Limited, KIMS Cuddles Private Limited, KIMS Sahariah Healthcare Private Limited and KIMS Hospital (Bhubaneswar) Private Limited.

******Dr. Abhinay Bollineni's name has been published in the list of directors disqualified under Section 164(2) of the Companies Act (**"Notification"**) on the website of the MCA in relation to his directorship in Pulse Nano Surgical Equipments Private Limited. In this regard, Dr. Abhinay Bollineni filed a writ petition before the High Court, Hyderabad and the High Court, Hyderabad vide interim order dated December 5, 2017 directed restoration of his DIN to enable him to submit annual returns for the last three financial years and the financial statement by December 30, 2017. See case 2 in 'Outstanding Litigation and Material Developments – Litigation involving our Promoters - Criminal proceedings against our Promoters' on page 368.*

We confirm that the PAN, bank account number and passport number of our individual promoters shall be submitted with the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus.

5. Bollineni Ramanaiah Memorial Hospitals Private Limited ("BRMH")

Corporate information

BRMH was incorporated as 'Bollineni Ramanaiah Memorial Hospitals Private Limited' on January 8, 1999 under the Companies Act, 1956 with the RoC. Its CIN is U85110TG1999PTC030882 and its registered office is situated at 300A, MLA Colony, Road No 12, Banjara Hills, Hyderabad – 500 034, Telangana, India. The hospital business of BRMH was transferred to our Company pursuant to the 2012 Scheme. For further details, see "*History and certain corporate matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets*" on page 152.

BRMH is enabled under its objects to carry on the business of *inter alia* establishing hospitals to provide medical services to the public and undertaking research and development in the fields of medical sciences. BRMH is currently not engaged in any business.

Natural person(s) in control of our Corporate Promoter

As of the date of this Draft Red Herring Prospectus, Dr. Bhaskar Rao Bollineni holds 86.14% of the paid-up capital of BRMH.

Board of directors

The board of directors of BRMH comprises the following persons:

1. Dr. Bhaskar Rao Bollineni; and
2. Rajyasri Bollineni.

Capital structure and shareholding pattern

The authorised share capital of BRMH is ₹ 21 million divided into 2,100,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of BRMH is ₹ 21 million divided into 2,100,000 equity shares of ₹ 10 each.

The shareholding pattern of BRMH is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued capital (%)
1.	Bhaskar Rao Bollineni	1,809,000	86.14
2.	Rajyasri Bollineni	210,000	10.00
3.	T.Giri Naidu	71,000	3.38
4.	Dr. G. Satyanarayana	10,000	0.48
Total		**2,100,000**	**100.00**

Change in control or management in the last three years

There has been no change in control or management of BRMH in the last three years immediately preceding the date of filing this Draft Red Herring Prospectus.

We confirm that the details of the PAN, bank account numbers, the company registration number and the addresses of the Registrar of Companies where BRMH is registered shall be submitted with the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus.

Interest of Promoters

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent of their shareholding and directorship/employment in our Company as well as any dividends declared and remuneration and employment related benefits paid by our Company to them. In addition, Dr. Abhinay Bollineni also holds the post of Vice President - Marketing and Business Strategy in our Company. For further details, see *"Capital Structure"* and *"Our Management"* on pages 76 and 162, respectively.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery etc.

Interest of Promoters in our Company other than as Promoters

Our Promoter, Dr. Bhaskar Rao Bollineni has entered into an inter-se agreement with IDBI Trusteeship Services Limited (acting as trustee for IAF and EIF), for the transfer of certain sums of money to Dr. Bhaskar Rao Bollineni or his nominee upon successful completion of the Offer, subject to the certain conditions being fulfilled. For details, see *History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholders' Agreements"* on page 153.

Except as stated in this section and "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and *"Financial Statements"* on pages 122, 148, 162 and 193, respectively, our Promoters do not have any interest in our Company other than as promoters.

Common Pursuits of our Promoters

BRMH is enabled under its objects to carry on the business of *inter alia* providing human health care by running hospitals. However, BRMH is currently not engaged in any business.

Except as disclosed above, and in the sections "*Our Group Companies – Common Pursuits amongst the Group Companies and our Company*" and "*History and Certain Corporate Matters – Common Pursuits*" on pages 189 and 160, respectively, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Payment of amounts or benefits to our Promoters or Promoter Group during the last two years

Except as disclosed in "*– Interest of Promoters*" and "*Our Management*" on pages 182 and 162 and remuneration paid to Ms. Ch. Harini as our general manager (billing) and Dr. Sweata Raavi as a professional consultant to our Company, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus.

Related Party Transactions

Except as stated in *"Related Party Transactions"* on page 191 and Annexure XXVIII A of the Restated Standalone Financial Statements and Annexure XXVIII A of the Restated Consolidated Financial Statements on pages 241 and 311 respectively, our Company has not entered into any related party transactions with our Promoters during the last five Fiscal Years.

Confirmations

Except as stated in "*Our Management*" on page 162, our Company has not made any payments in cash or shares or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters. Further, our Promoters have not been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

The control of our Company has remained with our Promoters for the five years immediately preceding the date of this Draft Red Herring Prospectus.

Except as disclosed in Annexure XXVIII A of our Restated Standalone Financial Statements and Annexure XXVIII A of our Restated Consolidated Financial Statements, none of our sundry debtors are related to our Promoters in any manner.

Disassociation by Promoters in the Last Three Years

Our Promoters have not disassociated themselves from any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus, except as stated below:

S. No.	Name of Company	Year of disassociation	Reason for disassociation
1.	KIMS Wardak Diagnostics Centre Private Limited	2015	Our Company divested its complete shareholding, amounting to 25% that it held in KIMS Wardak Diagnostics Centre Private Limited.
2.	BSCPL Godhra Tollways Limited	2016	Our Promoters divested their complete shareholding in BSCPL Godhra Tollways Limited.

Outstanding Litigation

Except as disclosed in "*Outstanding Litigation and Material Developments – Litigation Involving our Promoters*" on page 368, there is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Promoter Group

(a) Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our Promoters mentioned above, are as follows:

S. No.	Name	Relation with Promoters
1.	Lalitamma Tallaru	Sister of Dr. Bhaskar Rao Bollineni
2.	Ch. Padma	Sister of Dr. Bhaskar Rao Bollineni
3.	Rajyasri Bollineni	Wife of Dr. Bhaskar Rao Bollineni
4.	Adwik Bollineni	Son of Dr. Bhaskar Rao Bollineni
5.	Dr. Sweata Raavi	Daughter-in-law of Dr. Bhaskar Rao Bollineni
6.	Bhavanam Srinivas Reddy	Brother-in-law of Dr. Bhaskar Rao Bollineni
7.	Dr. Annapareddy Bhavani	Sister-in-law of Dr. Bhaskar Rao Bollineni
8.	Urmila Gunnam	Sister-in-law of Dr. Bhaskar Rao Bollineni
9.	Sujatha Bollineni	Wife of Krishnaiah Bollineni
10.	Arjun Chowdary Bollineni	Son of Krishnaiah Bollineni
11.	Aishwarya Bollineni	Daughter of Krishnaiah Bollineni
12.	Venkatram Chowdary Mandava	Son-in-law of Krishnaiah Bollineni
13.	Tallaru Ramanappa Naidu	Brother-in-law of Krishnaiah Bollineni
14.	Tallaru Balaram Naidu	Brother-in-law of Krishnaiah Bollineni
15.	Lakshmikanthamma Damavarapu	Sister-in-law of Krishnaiah Bollineni
16.	Yamuna Bollineni	Wife of Seenaiah Bollineni
17.	Sandeep Bollineni	Son of Seenaiah Bollineni
18.	Harika Bollineni	Daughter-in-law of Seenaiah Bollineni
19.	Chebrolu Harini	Daughter of Seenaiah Bollineni
20.	Chebrolu Ashok	Son-in-law of Seenaiah Bollineni
21.	Venkatakisthaiah Kancharla	Brother-in-law of Seenaiah Bollineni
22.	Venkateswarulu Kancharla	Brother-in-law of Seenaiah Bollineni
23.	Krishnaveni Damavarapu	Sister-in-law of Seenaiah Bollineni
24.	Raavi Venkateshwar Rao	Father-in-law of Dr. Abhinay Bollineni
25.	Raavi Subhashini	Mother-in-law of Dr. Abhinay Bollineni
26.	Raavi Satyaki	Brother-in-law of Dr. Abhinay Bollineni

(b) Companies and entities

In addition to our Subsidiaries, as listed in "*History and Certain Corporate Matters – Subsidiaries of our Company*" on page 155 and further in addition to BRMH, which is our Corporate Promoter, the companies and entities that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group Entity
1.	Amar Bio-tech Limited
2.	Aishu Castings Limited
3.	Aishu Dreamlands Limited
4.	Aishu Projects Limited
5.	Anitha Housing Private Limited
6.	Bollineni Farm Services Private Limited
7.	Bollineni Castings and Steel Limited
8.	Bollineni Developers Limited
9.	BSCPL Aurang Tollway Limited
10.	BSCPL Infra Projects Limited
11.	BSCPL Infrastructure Limited
12.	Chebrolu Hanumanaiah and Brothers Private Limited
13.	Krishnaiah Dreamlands Private Limited
14.	Krishnaiah Projects Private Limited*
15.	Mokama - Munger Highway Limited

S. No.	Name of Promoter Group Entity
16.	North Bihar Highway Limited
17.	Patna Bakhtiyarpur Tollway Limited
18.	Sri BDL Properties Private Limited
19.	Sujatha Homes Private Limited
20.	Traditional Bharat Kala Arts and Crafts
21.	Bollineni Krishnaiah Charitable Trust
22.	KIMS Foundation and Research Center Trust

[*] *Aishwarya Bollineni, daughter of Krishnaiah Bollineni holds 9.98% shares in Krishnaiah Projects Private Limited.*

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group, see "*Capital Structure – Notes to Capital Structure - Shareholding of our Promoters, Promoter Group and directors of our Corporate Promoter, BRMH*" on page 86.

Other Confirmations

Our Promoters, including persons in control of BRMH and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoters, relatives of our Promoters and members of our Promoter Group have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters' as defined under the SEBI ICDR Regulations.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

OUR GROUP COMPANIES

As per the requirements of SEBI ICDR Regulations, for the purpose of identification of ‘group companies’, our Company has considered companies as covered under the applicable accounting standards, being Accounting Standard 18 (as mentioned in our Restated Consolidated Financial Statements), or other companies as considered material by our Board.

Pursuant to a resolution of our Board dated June 12, 2017, for the purpose of disclosure in offer documents for the Offer, a company shall be considered material and disclosed as a ‘Group Company’ if (i) such company is a member of our Promoter Group and (ii) our Company has entered into one or more transactions with such company in the most recent audited Fiscal Year, being Fiscal Year 2017 which, individually or in the aggregate, exceed 10% of the total consolidated revenue of our Company; and/or (iii) companies which, subsequent to the date of the last audited consolidated financial statements of our Company, would require disclosure in the consolidated financial statements of our Company for subsequent periods as entities covered under AS 18 in addition to/ other than those companies covered under AS 18 in the Restated Consolidated Financial Statements.

For avoidance of doubt, it is clarified that the subsidiaries of our Company shall not be considered as ‘group companies’.

Based on the foregoing, our Group Companies are as follows:

(i) KIMS Hospital Enterprises Private Limited;
(ii) Bollineni Developers Limited;
(iii) Sri Viswa Medicare Limited (*formerly known as Reliance Medicare Limited*); and
(iv) BSCPL Infrastructure Limited.

Group Companies

The details of our Group Companies are provided below.

(i) KIMS Hospital Enterprises Private Limited (“KHEPL”)

KHEPL was incorporated on February 15, 2013 under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh. KHEPL is currently engaged in the business of providing healthcare services by running a hospital. Our Company currently holds 43.75% of the shareholding of KHEPL.

Interest of the Promoters

Except for Dr. Abhinay Bollineni who holds 192,800 shares amounting to 0.79% shareholding of KHEPL and is a director on the board of directors of KHEPL, none of our Promoters hold any shares or have any other interest in KHEPL.

Financial Information

The following information has been derived from the audited financial statements of KHEPL for the last three audited Fiscal Years.

(₹ *in million, except per share data*)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	229.59	212.48	199.98
Reserves and surplus (excluding revaluation reserves)	(36.95)	(80.30)	(90.01)
Sales/Turnover	630.79	511.65	323.83
Profit/(Loss) after Tax	(8.02)	(2.79)	(35.36)
Basic EPS (in ₹)	(0.37)	(0.13)	(1.77)
Diluted EPS (in ₹)	(0.37)	(0.13)	(1.77)
Net asset value per share (in ₹)	10.61	6.22	5.50

There are no significant notes of the auditors in relation to the aforementioned financial statements.

(ii) Bollineni Developers Limited (“BDL”)

BDL was originally incorporated as ‘Bollineni Finance Private Limited’ on June 17, 1996 under the Companies Act, 1956 with the RoC. Subsequently, the name of the company was changed to ‘Bollineni Developers Private Limited’, and a fresh certificate of incorporation was issued by the RoC on June 20, 2001, and pursuant to conversion into a public company, the name of the company was changed to ‘Bollineni Developers Limited’, and a fresh certificate of incorporation was issued by the RoC on April 12, 2006. BDL is currently engaged in the business of real estate and property development.

Interest of Promoters

Except Seenaiah Bollineni, Dr. Bhaskar Rao Bollineni and Krishnaiah Bollineni who hold 756,000 shares amounting to 1.47%, 1,199,233 shares amounting to 2.33% and 2,224,308 shares amounting to 4.33% of the shareholding of BDL, respectively, none of our Promoters hold any shares in BDL. Additionally, except Krishnaiah Bollineni who is on the board of directors of BDL, our Promoters have no other interest in BDL.

Financial Information

The following information has been derived from the audited financial statements of BDL for the last three audited Fiscal Years.

(₹ *in million, except per share data*)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	513.85	513.85	513.85
Reserves and surplus (excluding revaluation reserves)	(1,974.38)	(1658.48)	(1510.56)
Sales/Turnover	109.74	416.57	219.32
Profit/(Loss) after Tax	(315.91)	(147.92)	(280.54)
Basic EPS (in ₹)	(6.15)	(3.00)	(5.00)
Diluted EPS (in ₹)	(6.15)	(3.00)	(5.00)
Net asset value per share (in ₹)	(28.42)	(22.27)	(19.40)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

(iii) Sri Viswa Medicare Limited (*formerly known as Reliance Medicare Limited*) (“SVML”)

SVML was originally incorporated as ‘Reliance Medicare Private Limited’ on July 25, 2000 under the Companies Act, 1956 with the RoC and pursuant to conversion into a public company, the name of the company was changed to ‘Reliance Medicare Limited’ on January 31, 2002. Subsequently, the name of the company was changed to ‘Sri Viswa Medicare Limited’, and a fresh certificate of incorporation was issued by the RoC on April 23, 2015. SVML is currently engaged in the business of providing health care services by running hospitals.

Interest of the Promoter

Except Krishnaiah Bollineni who holds 16,000 shares amounting to 0.47% of shareholding of SVML, none of our Promoters hold any shares or have any other interest in SVML.

Financial Information

The following information has been derived from the audited financial statements of SVML for the last three audited Fiscal Years.

(₹ *in million, except per share data*)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015

Equity Capital	34.04	34.04	34.04
Reserves and surplus (excluding revaluation reserves)	67.38	104.58	100.95
Sales/Turnover	317.54	304.05	279.87
Profit/(Loss) after Tax	(37.19)	3.63	(4.77)
Basic EPS (in ₹)	10.92	1.07	(1.40)
Diluted EPS (in ₹)	10.92	1.07	(1.40)
Net asset value per share (in ₹)	29.79	40.71	39.65

There are no significant notes of the auditors in relation to the aforementioned financial statements.

(iv) BSCPL Infrastructure Limited ("BSCPL")

BSCPL was originally constituted as a partnership firm under the name and style of B. Seenaiah & Co. pursuant to a partnership deed dated May 11, 1983. The partnership firm was subsequently converted under the Companies Act, 1956 into a public limited company under the name, B. Seenaiah & Company (Projects) Limited on March 31, 1998 and obtained the certificate of commencement of business on April 3, 1998. The name of the Company was changed to BSCPL Infrastructure Limited pursuant to a fresh certificate of incorporation dated July 14, 2008. BSCPL received a certificate for commencement of business on April 3, 1998. BSCPL is currently engaged in the business of construction and infrastructure development.

Interest of the Promoter

Except Seenaiah Bollineni, Dr. Bhaskar Rao Bollineni and Krishnaiah Bollineni who hold 4,847,180 shares amounting to 19.50%, 1,200,000 shares amounting to 4.83% and 2,280,000 shares amounting to 9.17% of the shareholding of BSCPL, respectively, none of our Promoters hold any shares in BSCPL. Additionally, except Seenaiah Bollineni and Krishnaiah Bollineni are on the board of directors of BSCPL, none of our Promoters have any interest in BSCPL.

Financial Information

The following information has been derived from the audited financial statements of BSCPL for the last three audited Fiscal Years.

(₹ *in million, except per share data*)

Particulars	**Fiscal Year 2016**	**Fiscal Year 2015**	**Fiscal Year 2014**
Equity Capital	248.57	248.57	248.57
Reserves and surplus (excluding revaluation reserves)	8886.19	8561.17	8399.28
Sales/Turnover	9382.89	9519.50	9059.13
Profit/(Loss) after Tax	325.02	187.91	701.46
Basic EPS (in ₹)	13.08	7.56	28.22
Diluted EPS (in ₹)	13.08	7.56	28.22
Net asset value per share (in ₹)	367.49	354.41	347.90

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Interest of Group Companies in our Company

(a) ***Business interests***

Except SVML and KHEPL who have business interests in our Company, none of our Group Companies hold any Equity Shares or have any interest in the promotion of our Company or any business interest or other interests in our Company. For further details, see Annexure XXVIII A of the Restated Standalone Financial Statements on page 241.

(b) ***In the properties acquired or proposed to be acquired by our Company in the past two years preceding the***

filing of this Draft Red Herring Prospectus with SEBI

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus with SEBI.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies and our Company

Except for KHEPL and SVML which are also engaged in providing medical and healthcare services, there are no common pursuits between any of our Group Companies and our Company. There is conflict of interest between our Company and SVML and KHEPL as SVML and KHEPL also offer healthcare facilities by running hospitals. For further details, see *"Risk Factors – Conflicts of interest may arise out of common business objects shared by our Company, and certain of our Group Companies which may affect our business, results of operations and financial conditions."* on page 34.

Related business transactions within the Group Companies and significance on the financial performance of our Company

See Annexure XXVIII A of the Restated Standalone Financial Statements and Annexure XXVIII A of the Restated Consolidated Financial Statements on pages 241 and 311, respectively.

Sale/Purchase between Group Companies and our Company

None of our Group Companies is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Defunct Group Companies

None of our Group Companies is defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Sick Group Companies

None of our Group Companies fell under the definition of sick industrial companies under Sick Industrial Companies (Special Provisions) Act, 1985, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. However, apart from BSCPL against which M/s. Hill & Smith Infrastructure Projects India Ltd. has initiated corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, no winding up proceedings have been initiated against our Group Companies. For further details in respect to the insolvency resolution process against BSCPL, see case 3 in "*Outstanding Litigation and Material Developments - Material outstanding litigation against our Group Companies*" on page 371.

Loss making Group Companies

Except BDL and KHEPL which incurred losses in Fiscal Year 2015, Fiscal Year 2016 and Fiscal Year 2017 and SVML which incurred losses in Fiscal Year 2015 and Fiscal Year 2017, none of our Group Companies have incurred losses in the preceding three Fiscal Years, for which audited financial statements of our Group Companies are available. For further details, see "*Risk Factors – Some of our Group Companies have incurred losses or have had negative net worth during recent fiscal years*" on page 31.

Other confirmations

None of our Group Companies is listed or have failed to list on any stock exchange in any recognised stock exchange in India or abroad or have made any public or rights issue of securities in preceding three years. However, BSCPL Infrastructure Limited withdrew its Draft Red Herring Prospectus dated March 6, 2013 filed with SEBI *vide* withdrawal letter dated January 28, 2014 sent to SEBI due to unfavourable market conditions.

Except BDL, none of our Group Companies have negative net worth. For further details, see "*Risk Factors - Some of our Group Companies have incurred losses or have had negative net worth during recent fiscal years.*" on page 31.

None of our Group Companies have been debarred from accessing the capital markets for any reasons by the SEBI or any other authorities.

None of our Group Companies have been identified as wilful defaulters as defined in the SEBI ICDR Regulations.

None of our Group Companies have committed any violations of securities laws in the past and no proceeding pertaining to such penalties are pending against them.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, see Annexures XXVIII, XXVIII A and XXVIII B of the Restated Standalone Financial Statements on pages 240, 241 and 242 and Annexures XXVIII, XXVIII A and XXVIII B of the Restated Consolidated Financial Statements on pages 310, 311 and 312.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of our Articles of Association and the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the fiscal year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company does not have a formal dividend policy. Our Company has not declared any dividend on the Equity Shares during the last five Fiscal Years.

Auditor's Report on Restated Standalone Financial Statements in connection with Draft Red Herring Prospectus

To

The Board of Directors
Krishna Institute of Medical Sciences Limited
1-8-31/1, Minister Road, Krishna Nagar Colony
Begumpet, Secunderabad – 500003
Telangana

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information (initialed by us for identification purpose) of Krishna Institute of Medical Sciences Limited (hereinafter referred to as 'KIMS' or 'the Company'), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at September 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the six months period ended 30 September 2017 and each of the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the Summary of Significant Accounting Policies as approved by the Board of Directors of the Company at their meeting held on 27 November 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares, including an offer for sale by certain existing shareholders and prepared by the Company in terms of the requirements of :

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ("ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992.

   The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2) We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 31 October 2017 in connection with the proposed issue of equity shares of the Company; and

   b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("The Guidance Note").

3) These Restated Standalone Financial Information have been compiled by the Management from the Audited Standalone Financial Statements of the Company for the six months period ended September 30, 2017, and for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 which have been approved by the Board of directors at their meetings held on

November 27, 2017, June 12, 2017, June 22, 2016, June 24, 2015, November 29, 2014 and September 4, 2013 respectively.

The audit for the financial years ended March 31, 2014 and March 31, 2013 was conducted by B S R and Associates, Chartered Accountants, one of the other member entity of B S R & Affiliates, a network registered with the ICAI, and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years, i.e., March 31, 2014 and March 31, 2013 are based solely on the reports submitted by B S R and Associates. Further, B S R and Associates have also confirmed that the restated standalone financial information:

a. have been made after incorporating adjustments for changes in accounting policies regarding change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at and during the six months period ended September 30, 2017;

b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c. do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information and do not contain any qualifications or emphasis of matter requiring adjustments.

4) Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with the Rules, the SEBI ICDR Regulations and the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we report that:

a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at September 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, examined by us, as set out in **Annexure I** to the restated standalone financial information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion were appropriate and more fully described in Annexure V –Statement of Restatement adjustments to the Audited Standalone Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the six months period ended September 30, 2017 and each of the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 examined by us, as set out in **Annexure II** to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement adjustments to the Audited Standalone Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

c) The Restated Standalone Summary Statement of Cash Flows of the Company for the six months period ended September 30, 2017 and each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 examined by us, as set out in **Annexure III** to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion were appropriate and more fully described in **Annexure V** – Statement of Restatement adjustments to the Audited Standalone Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

d) Based on the above, and based on the reliance placed on the Standalone Financials Statements audited by B S R and Associates, Chartered Accountants, one of the other member entity of B S R & Affiliates, a network registered with the ICAI for the years ended March 31, 2014 and March 31, 2013, we further report that the Restated Standalone Financial Information:

(i) have been made after incorporating adjustments for changes in accounting policies regarding change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at and during the six months period ended September 30, 2017;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information and do not contain any qualifications or emphasis of matter requiring adjustments.

5) We have also examined the following Notes to Restated Standalone Financial Information of the Company set out in Annexures prepared by the Management based on the Restated Standalone Financial Information and approved by the Board of Directors on November 27, 2017, for the six months period ended September 30, 2017 and each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013:

(a) Annexure VI – Notes to Restated Standalone Financial Information - Share capital;
(b) Annexure VII - Notes to Restated Standalone Financial Information - Reserves and Surplus;
(c) Annexure VIII - Notes to Restated Standalone Financial Information - Long-term borrowings (with terms and conditions of Long-term borrowings);
(d) Annexure IX - Notes to Restated Standalone Financial Information - Deferred tax liability;
(e) Annexure X - Notes to Restated Standalone Financial Information - Other Long-term liabilities and Provisions;
(f) Annexure XI - Notes to Restated Standalone Financial Information - Short-term borrowings (with terms and conditions of Short-term borrowings)
(g) Annexure XII - Notes to Restated Standalone Financial Information - Trade payables;
(h) Annexure XIII - Notes to Restated Standalone Financial Information - Other current liabilities;
(i) Annexure XIV - Notes to Restated Standalone Financial Information - Short-term provisions;
(j) Annexure XV – Notes to Restated Standalone Financial Information - Fixed assets;
(k) Annexure XVI - Notes to Restated Standalone Financial Information - Non-current investments;
(l) Annexure XVII - Notes to Restated Standalone Financial Information - Long-term and Short-term loans and advances;
(m) Annexure XVIII - Notes to Restated Standalone Financial Information - Other Non-current assets and Current assets and inventories;
(n) Annexure XIX - Notes to Restated Standalone Financial Information - Trade receivables;
(o) Annexure XX - Notes to Restated Standalone Financial Information - Cash and bank balances;
(p) Annexure XXI - Notes to Restated Standalone Financial Information - Revenue from operations;
(q) Annexure XXII - Notes to Restated Standalone Financial Information - Other income;
(r) Annexure XXIII - Notes to Restated Standalone Financial Information - Medical consumables and pharmacy items consumed and operating expenses;
(s) Annexure XXIV - Notes to Restated Standalone Financial Information - Employee benefits expense;
(t) Annexure XXV - Notes to Restated Standalone Financial Information - Finance costs;

(u) Annexure XXVI - Notes to Restated Standalone Financial Information - Other expenses;
(v) Annexure XXVII - Notes to Restated Standalone Financial Information - Commitments, Contingent liabilities and Pending litigations;
(w) Annexure XXVIII - Notes to Restated Standalone Financial Information - List of Related parties, Related party transactions and Related party balances;
(x) Annexure XXIX - Notes to Restated Standalone Financial Information - segment reporting;
(y) Annexure XXX – Other notes annexed to and forming part of Restated Standalone Financial Information;
(z) Annexure XXXI - Notes to Restated Standalone Financial Information - Capitalisation statement;
(aa) Annexure XXXII - Notes to Restated Standalone Financial Information - Accounting ratios;
(bb) Annexure XXXIII - Notes to Restated Standalone Financial Information - Tax shelter.

6) Emphasis of matter

We draw attention to note 8 to Annexure XXX in the notes to Restated standalone financial information wherein pursuant to a scheme of arrangement, the Company has included in 'Surplus i.e., balance in Statement of Profit and Loss', net profit of Bollineni Heart Centre Limited ('transferor company") amounting INR 37.66 millions and Bollineni Ramanaiah Memorial Hospital Private Limited ("demerged company") amounting INR 24.98 millions for the year ended 31 March 2012. We did not audit the financial statements and other financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for the year ended 31 March 2012 and they were audited by other auditors whose reports have been furnished to us and they have expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of the aforesaid matter.

7) According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information and the above notes to the Restated Standalone Financial Information contained in Annexures VI to XXXIII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules, SEBI ICDR Regulations and the Guidance Note, issued in this regard by the ICAI, as amended from time to time.

8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10) Our report is intended solely for use of the Management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited in connection with the proposed issue of equity shares of the Company by way of fresh issue and/or offer for sale by certain existing shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: Hyderabad
Date: November 27, 2017

Krishna Institute of Medical Sciences Limited

Annexure - I

Restated Standalone Summary Statement of Assets and Liabilities

INR in Millions

Particulars	Annexure reference	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	VI	716.25	716.25	704.04	88.00	56.11	38.25
Shares to be issued pursuant to Scheme of Arrangement (refer Annexure XXX - Note 8)	VI.7	-	-	-	-	-	12.75
Reserves and surplus	VII	2,695.50	2,524.71	1,906.32	2,279.37	1,904.96	1,868.12
		3,411.75	3,240.96	2,610.36	2,367.37	1,961.07	1,919.12
Non-current liabilities							
Long-term borrowings	VIII A	1,885.33	1,958.09	1,732.27	1,976.22	1,997.61	1,599.46
Deferred tax liabilities (net)	IX	463.79	454.99	420.93	385.37	321.96	240.38
Other long-term liabilities	X.1	0.09	0.09	0.09	0.09	0.19	0.19
Long-term provisions	X.2	79.24	65.66	50.91	29.46	22.39	15.85
		2,428.45	2,478.83	2,204.20	2,391.14	2,342.15	1,855.88
Current liabilities							
Short-term borrowings	XI A	172.68	104.49	150.12	316.33	262.67	125.36
Trade payables	XII						
- Total outstanding dues of micro enterprises and small enterprises		-	-	0.02	0.05	0.02	0.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises		956.03	730.35	625.76	582.52	571.67	384.31
Other current liabilities	XIII	874.28	952.55	844.23	718.09	1,031.66	1,350.11
Short-term provisions	XIV	34.23	25.90	26.59	9.46	6.18	6.29
		2,037.22	1,813.29	1,646.72	1,626.45	1,872.20	1,866.16
Total equity and liabilities		**7,877.42**	**7,533.08**	**6,461.28**	**6,384.96**	**6,175.42**	**5,641.16**
ASSETS							
Non-current assets							
Fixed assets							
- Property, plant and equipment	XV (A)	5,755.50	4,997.88	4,966.06	4,931.32	4,500.22	4,082.74
- Intangible assets	XV (B)	15.80	14.46	12.74	8.00	3.49	0.61
- Capital work-in-progress	XV (C)	22.86	635.48	23.08	100.55	509.40	738.32
Non-current investments	XVI	219.72	219.72	181.91	153.24	58.87	17.10
Long-term loans and advances	XVII.1	281.14	186.13	186.93	248.78	179.66	157.50
Other non-current assets	XVIII.1	10.90	11.36	7.70	9.14	7.87	23.81
		6,305.92	6,065.03	5,378.42	5,451.03	5,259.51	5,020.08
Current assets							
Inventories	XVIII.3	201.34	153.02	112.68	98.46	98.70	82.09
Trade receivables	XIX	995.68	863.42	616.87	351.44	295.68	287.91
Cash and bank balances	XX	109.71	80.84	67.42	130.16	252.81	114.04
Short-term loans and advances	XVII.2	210.36	299.54	221.52	295.92	206.51	97.81
Other current assets	XVIII.2	54.41	71.23	64.37	57.95	62.21	39.23
		1,571.50	1,468.05	1,082.86	933.93	915.91	621.08
Total assets		**7,877.42**	**7,533.08**	**6,461.28**	**6,384.96**	**6,175.42**	**5,641.16**

Notes:

1. The above statement should be read with the Company overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Standalone Financial Statements in Annexure V and Notes to Restated Standalone Financial Information appearing from Annexure VI to Annexure XXXIII.

Krishna Institute of Medical Sciences Limited

Annexure - II

Restated Standalone Summary Statement of Profit and Loss

INR in Millions

Particulars	Annexure Reference	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue							
Revenue from operations	XXI	3,095.59	5,357.34	4,849.35	3,939.57	3,494.54	2,935.84
		3,095.59	5,357.34	4,849.35	3,939.57	3,494.54	2,935.84
Other income	XXII	14.53	28.24	43.61	40.61	45.17	27.46
Total revenue		**3,110.12**	**5,385.58**	**4,892.96**	**3,980.18**	**3,539.71**	**2,963.30**
Expenses							
Medical consumables and pharmacy items consumed	XXIII.1	741.35	1,300.79	1,187.93	1,039.06	990.01	866.44
Operating expenses	XXIII.2	1,038.85	1,765.37	1,590.98	1,338.81	1,127.39	919.56
Employee benefits expense	XXIV	582.53	911.49	759.26	657.20	546.46	433.74
Finance costs	XXV	147.61	302.47	350.29	328.81	292.48	145.25
Depreciation and amortisation	XV (A) & (B)	189.03	337.70	342.30	309.58	247.22	209.65
Other expenses	XXVI	149.29	255.05	277.76	185.31	194.44	110.61
Total expenses		**2,848.66**	**4,872.87**	**4,508.52**	**3,858.77**	**3,398.00**	**2,685.25**
Restated profit before tax		**261.46**	**512.71**	**384.44**	**121.41**	**141.71**	**278.05**
Restated profit before tax from continuing operations		**261.46**	**512.71**	**384.44**	**121.41**	**153.88**	**277.29**
Income tax expense of continuing operations							
- Current tax		81.88	153.24	105.90	26.49	11.10	56.32
- MAT credit entitlement		-	-	-	(26.49)	(11.10)	(48.02)
- Deferred tax	IX	8.79	34.06	35.56	63.41	99.81	87.04
Restated profit after tax from continuing operations (A)		**170.79**	**325.41**	**242.98**	**58.00**	**54.07**	**181.95**
Restated profit/ (loss) before tax from discontinuing operations		-	-	-	-	(0.16)	0.76
Net loss on disposal of assets and liabilities of discontinuing operations		-	-	-	-	(12.01)	-
Less: Income-tax expense of discontinuing operations							
- Current tax		-	-	-	-	18.19	-
- Deferred tax		-	-	-	-	(18.23)	-
Restated profit after tax from discontinuing operations (B)		**-**	**-**	**-**	**-**	**(12.13)**	**0.76**
Restated profit after tax (C)=(A)+(B)		**170.79**	**325.41**	**242.98**	**58.00**	**41.94**	**182.71**
Earnings per equity share (face value of INR 10 per share)	XXXII						
Basic earning per share		2.38	4.61	3.45	0.82	0.60	2.65
Diluted earning per share		2.38	4.61	3.45	0.82	0.60	2.60

Notes:

1. The above statement should be read with the Company overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Standalone Financial Statements in Annexure V and Notes to Restated Standalone Financial Information appearing from Annexure VI to Annexure XXXIII.

Krishna Institute of Medical Sciences Limited

Annexure - III

Restated Standalone Summary Statement of Cash Flow

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
I. Cash flows from operating activities						
Net profit before taxation	261.46	512.71	384.44	121.41	141.71	278.05
Adjustments for operating activities:						
Depreciation and amortisation	189.03	337.70	342.30	309.58	247.22	209.65
(Profit)/ loss on sale of Property, plant and equipment	-	(0.60)	(0.74)	14.37	21.08	0.37
Loss on sale of investment	-	-	-	0.79	-	-
Provision for doubtful receivables	14.18	19.86	14.38	4.99	4.67	3.46
Trade receivables written off	-	-	1.74	6.58	20.30	0.48
Interest income on fixed deposits and loans	(5.75)	(7.15)	(4.63)	(9.78)	(14.83)	(7.83)
Liabilities no longer required written back	-	-	-	-	(5.94)	(0.35)
Interest on income tax refund	-	(2.96)	(9.69)	(4.69)	(1.56)	(0.12)
Dividend from joint venture	-	-	-	(0.26)	(2.30)	(2.95)
Finance costs	147.61	302.47	350.29	328.81	292.48	145.25
Operating profit before working capital changes	**606.53**	**1,162.03**	**1,078.09**	**771.80**	**702.83**	**626.01**
Adjustments for:						
(Increase) in trade receivables	(146.44)	(266.42)	(281.55)	(67.32)	(32.74)	(39.62)
(Increase)/ decrease in inventories	(48.32)	(40.34)	(14.22)	0.24	(16.61)	(9.24)
Decrease / (increase) in loans and advances	(26.85)	(85.78)	21.69	(13.85)	(36.34)	(84.38)
Increase / (decrease) in liabilities and provisions	266.15	128.73	84.30	(2.77)	294.61	(79.19)
Cash generated from operations	**651.07**	**898.22**	**888.31**	**688.10**	**911.75**	**413.58**
Income taxes paid, net	(113.13)	(114.42)	5.36	(120.67)	(113.64)	(82.03)
Net cash provided by operating activities (A)	**537.94**	**783.80**	**893.67**	**567.43**	**798.11**	**331.55**
II.Cash flows from investing activities						
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, capital advances and capital creditors	(290.65)	(987.71)	(327.93)	(765.02)	(678.37)	(851.64)
Proceeds from sale of property, plant and equipment	-	0.83	1.86	43.53	130.40	0.96
Investment in subsidiaries and associate	-	(37.61)	(28.66)	(96.40)	(39.78)	(2.07)
Proceeds from sale investments	-	-	1.24	-	-	-
Bank deposits (having original maturity of more than three months), net	-	30.68	(33.13)	159.87	(100.27)	29.57
Dividend from joint venture	-	-	-	0.26	2.30	
Share of income from joint venture	-	-	-	-	-	2.95
Interest received	5.09	7.50	1.04	20.31	7.71	5.40
Net cash used in investing activities (B)	**(285.56)**	**(986.31)**	**(385.58)**	**(637.45)**	**(678.01)**	**(814.83)**
III.Cash flows from financing activities						
Repayment of long-term borrowings	(325.13)	(657.39)	(518.59)	(780.51)	(988.65)	(309.85)
Proceeds from long-term borrowings	177.71	961.26	419.36	833.63	1,077.06	840.95
Net proceeds/ (repayments) from short-term-borrowings	68.19	(50.11)	(161.72)	53.66	137.31	57.84
Proceeds from issue of shares	-	305.19	-	365.44	-	-
Share issue expenses	-	-	-	(17.13)	-	-
Finance costs paid	(144.92)	(307.62)	(344.38)	(347.45)	(321.20)	(107.05)
Net cash provided by/ (used in) financing activities (C)	**(224.15)**	**251.33**	**(605.33)**	**107.64**	**(95.48)**	**481.89**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	28.23	48.82	(97.24)	37.62	24.62	(1.39)
Cash and cash equivalents at the beginning of the period/year	80.04	31.22	128.46	90.84	66.22	67.61
Cash and cash equivalents at the end of the period/year [refer Annexure XX]	**108.27**	**80.04**	**31.22**	**128.46**	**90.84**	**66.22**

Notes:

1. The above statement should be read with the Company overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Standalone Financial Statements in Annexure V and Notes to Restated Standalone Financial Information appearing from Annexure VI to Annexure XXXIII.

Krishna Institute of Medical Sciences Limited

Annexure - IV

1 Company overview

Krishna Institute of Medical Sciences Limited ('the Company') was originally incorporated on 26 July 1973 under the name "Jagjit Singh and Sons Private Limited" which was subsequently changed to "Krishna Institute of Medical Science Private Limited" on 2 January 2004. The Company was converted into a public limited company under the Companies Act, 1956 on 29 January 2004 and consequently, the name was changed to "Krishna Institute of Medical Sciences Limited". The Company is primarily engaged in the business of rendering hospital services.

2 Significant accounting policies

a. Basis of preparation of Restated Standalone Financial Information

The Restated Standalone Financial Information relate to the Company and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Standalone Financial Information consist of the Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017, the Restated Standalone Summary Statement of Profits and Losses for the years ended 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for six months period ended 30 September 2017 and the notes thereto and the Restated Standalone Summary Statement of Cash Flow for the years ended 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for six months period ended 30 September 2017 and annexures thereto (hereinafter collectively referred to as "the Restated Standalone Financial Information").

The Restated Standalone Financial Information have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 notified by SEBI on August 26, 2009, as amended from time to time ("the SEBI Regulations"). The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years immediately preceding the issue of the Prospectus. These Restated Standalone Financial Information were approved by the Board of Directors of the Company in their meeting held on 27 November 2017.

The Restated Standalone Financial Information of the Company are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of 2013 Act {which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013}, other pronouncements of the Institute of Chartered Accountants of India ('the ICAI'), and the provisions of the 2013 Act to the extent notified and applicable.

The Restated Standalone Financial Information are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Company. The accounting policies have been consistently applied by the Company. The Restated Standalone Financial Information are presented in Indian rupees (INR), rounded off to the nearest millions with two decimal except for earnings/ (losses) per share details and where not mentioned otherwise.

The Restated Standalone Financial Information have been prepared so as to contain information/ disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective adjustment in the financial statements;

(b) Adjustments for the material amounts in respective period/years to which they relate;

(c) Adjustments for previous periods/years identified and adjusted in arriving at the profits of the period/years to which they relate irrespective of the period/year in which the event triggering the profit or loss occurred;

(d) Adjustments, if any, to the profits or losses of the earlier periods/years and of the period/year in which the change in the accounting estimates has taken place is recomputed to reflect what the profits or losses of those periods/years would have been if a uniform accounting estimate was followed in each of these periods/years;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited special purpose standalone financial statements of the Company as at and for six months period ended 30 September 2017 and the requirements of the SEBI Regulations;

(f) The resultant impact of deferred tax due to the aforesaid adjustments.

b. Use of estimates

The preparation of the Restated Standalone Financial Information in conformity with generally accepted accounting principles (GAAP) which requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

c. Current and non-current classification

All assets and liabilities are classified into current and non-current.

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 Company's normal operating cycle;

ii. it is held primarily for the purpose of being traded;

iii. it is expected to be realised within 12 months after the reporting date; or

iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. 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 settled in the Company's normal operating cycle;

ii. it is held primarily for the purpose of being traded;

iii. it is due to be settled within 12 months after the reporting date; or

iv. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Company has ascertained its operating cycle as twelve months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Krishna Institute of Medical Sciences Limited

Annexure - IV

Significant accounting policies (continued)

d. Fixed assets, depreciation and amortization

Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation, impairment losses if any. The cost of Property, plant and equipment comprises the purchase price, non-refundable taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of Property, plant and equipment acquired but not ready for their intended use as at the balance sheet date are disclosed as capital work-in-progress. Indirect expenditure including borrowing cost to the extent incidental to construction of Property, plant and equipment is disclosed under expenditure during construction period and will be allocated to Property, plant and equipment on being put to use.

The Company provides depreciation under straight line method on Property, plant and equipment, other than leasehold land and assets costing less than INR 0.005 millions, based on the useful life specified in schedule II of the Companies Act, 2013, as in the opinion of the Management, the same reflects the estimated useful life. Depreciation is calculated on pro-rata basis from the date on which the assets are ready for use or till the date the assets are sold or disposed off.

Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised. Assets costing less than INR 0.005 millions based on internal assessment and materiality the Management has estimated that the same shall be depreciated in the period/year of purchase.

Losses arising from retirement or gains or losses arising from disposal of Property, plant and equipment which are carried at cost are recognised in the Restated Standalone Summary Statement of Profit and Loss.

Intangible assets

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company. Intangible assets are amortized in the Restated Standalone Summary Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of economic benefits of the asset. Accordingly, software is being amortised on straight line basis over a period of three to six years.

e. Borrowing cost

Borrowing cost directly attributable to acquisition of those Property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f. Investments

Investments are classified as current investments if the Management does not intend to hold the investments for more than one year. Investments other than current investments are classified as long-term investments.

Long-term investments are carried at cost. Provision is made, wherever necessary, for any diminution, other than temporary, in the value of investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

g. Inventories

Inventories comprising of medical consumables and pharmacy items are valued at the lower of cost or net realisable value. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The Company follows the weighted average method for determining the cost of such inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis.

h. Employee benefits

Defined contribution plan

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme and the contribution is recognised as an expense in the Restated Standalone Summary of Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefits plan

The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under a scheme administered by the Life Insurance Corporation of India (Group Gratuity scheme) and the contributions made by the Company to the scheme are recognised in Statement of Profit and Loss. The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising during the period/year are immediately recognised in the Restated Standalone Summary Statement of Profit and Loss.

Compensated absences

Compensated absences, is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by qualified independent actuary. Actuarial gains and losses arising during the period/year are immediately recognised in the Statement of Profit and Loss. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

i. Revenue recognition

(i) Income from hospital services is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered, to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. Revenue is recognised net of discounts and concessions given to the patients.

Revenue from sale of pharmacy is recognised when all significant risk and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

(ii) Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of the fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received. Application processing fees are recognised as revenue on receipt of the fees.

(iii) Revenue from sale of electricity generated from wind power is recognised on accrual basis as per the terms of the power purchase agreement entered into with Tamil Nadu Electricity Board.

(iv) Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method.

(v) Dividend income it recognised when the unconditional right to receive the payment is established.

Krishna Institute of Medical Sciences Limited

Annexure - IV

Significant accounting policies (continued)

j. Income-tax

Income tax expense comprises of current tax, deferred tax and Minimum alternate tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and is written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off under goverening taxation laws and the taxation laws permit the enterprise to make or receive a single net payment.

Minimum Alternate Tax (MAT)

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Restated Standalone Summary Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

k. Earnings per share (EPS)

Basic earnings per share is computed by dividing the net profit after tax for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year.

For the purpose of calculating diluted earnings per share, net profit after tax for the period/year and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

l. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period/year are recognised in the Restated Standalone Summary Statement of Profit and Loss.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the Restated Standalone Summary Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the

As per the notification issued by the Ministry of Corporate Affairs vide notification dated 31 March 2009 and subsequent notification issued dated 29 December 2011, the Company has adjusted exchange differences arising on reporting of long term foreign currency monetary items to the cost of the asset, where such long term foreign currency monetary items related to acquisition of a depreciable capital asset (whether purchased within or outside India) and has depreciated such foreign exchange gain/ losses over the asset's balance useful life.

m. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows of the Company are segregated separately from regular revenue generating, investing and financing activities.

n. Operating lease

Assets acquired under leases other than finance leases are classified as operating leases. There are no non cancellable operating or finance leases. Lease payments made under cancellable operating leases are disclosed as rent and the same are recognized as an expense in the Restated Standalone Summary Statement of Profit and Loss. Initial direct costs incurred is recognised in the Restated Standalone Summary Statement of Profit and Loss over the period of the lease.

Lease income from operating leases is recognised in the restated standalone summary statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

o. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Restated Standalone Summary Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment has been recognised.

p. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liability do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

q. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Annexure - V

Statement of restatement adjustments to Audited Standalone Financial Statements

1. Impact of material adjustments

The summary of the adjustments made to the audited standalone financial statements for the respective period/years and its effect on the profits of the Company for respective period/years is provided below:

INR in Millions

Particulars	Note	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit after tax as per audited statement of profit and loss		**170.79**	**321.28**	**200.30**	**75.56**	**68.58**	**175.73**
Adjustments on account of :							
Trade receivables written off	3(a)	-	6.10	23.36	(1.99)	(20.23)	0.73
Advances written off	3(b)	-	-	10.00	-	-	-
Tax expenses - pertaining to earlier period/years	3(c)	-	0.69	1.92	(0.58)	(0.12)	(0.83)
Depreciation as per Companies Act, 2013	3(d)	-	-	-	-	1.88	(1.07)
Liabilities no longer required written back	3(e)	-	-	(0.36)	(8.66)	1.78	(6.27)
Interest income on income-tax refunds	3(f)	-	(2.99)	(3.41)	4.69	1.56	0.15
MAT credit written off	3(g)	-	-	20.03	-	(11.12)	(8.91)
Total impact of the adjustments		**-**	**3.80**	**51.54**	**(6.54)**	**(26.25)**	**(16.20)**
Tax impact on adjustments	3(h)	-	0.33	(8.86)	(11.02)	(0.39)	23.18
Total adjustments		**-**	**4.13**	**42.68**	**(17.56)**	**(26.64)**	**6.98**
Profit after tax, as restated		**170.79**	**325.41**	**242.98**	**58.00**	**41.94**	**182.71**

2. Restatement adjustments made in the audited opening balance of Surplus in the Statement of profit and loss as at 1 April 2012

Particulars	Note	Amount
Surplus in the Statement of profit and loss as at 1 April 2012		**873.36**
Trade receivables written off	4(a)	(7.97)
Advances written off	4(b)	(10.00)
Tax expenses - pertaining to earlier period/years	4 (c)	(1.08)
Depreciation as per Companies Act, 2013	4(d)	(42.71)
Liabilities no longer required written back	4(e)	13.51
Total impact of the adjustments		(48.25)
Tax impact on adjustments	4(h)	11.28
Total adjustments		**(36.97)**
Surplus in the statement of Profit and Loss as at 1 April 2012, as restated		**836.39**

3. Explanatory notes for the restatement adjustments

a. Trade receivables written off

Trade receivables written off were adjusted in arriving at the profits for the period/years to which they relate irrespective of the year in which the event triggering the profit or loss has occurred.

b. Advances written off

Advances written off were adjusted in arriving at the profits for the period/years to which they relate irrespective of the year in which the event triggering the profit or loss has occurred

c. Tax expenses pertaining to earlier period/years

Consequent to completion of income-tax assessment for certain years, the Company paid additional taxes/ received additional refund which were recorded in the year of completion of such assessments. As these were relating to earlier period/years, the same has been accounted for in the financial year to which the amount relates to.

d. Depreciation as per Companies Act, 2013

Pursuant to the notification of Schedule II of the Companies Act, 2013 ("the 2013 Act"), by the Ministry of Corporate Affairs effective 1 April 2014, the Management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the 2013 Act, for companies incorporated in India. Consequently, the carrying amount as at 1 April 2014 is being depreciated over the revised remaining useful life of the asset. The carrying value of INR 41.90 millions in case of assets with nil revised remaining useful life as at 1 April 2014 was reduced from the retained earnings as at such date. The same has been adjusted in the respective period/years.

e. Liabilities no longer required written back

During each of the years, the Company reversed certain liabilities which were considered as no longer payable and recognised as other income. Since, these were relating to earlier period/years, the reversal has been now reflected in respective year's payables no longer required written back under other income.

f. Interest income on income-tax refund

Interest income on income-tax refund has been restated to the period for which it has been received.

g. MAT credit written off

MAT credit written off has been adjusted in the respective period/years in which the MAT credit was recognised.

h. Tax expense

Tax effects of the above restatement adjustments have been adjusted in the respective period/years.

4. Material regroupings

Appropriate adjustments have been made in the Restated Standalone Summary Statement of Assets and Liabilities, Restated Standalone Summary Statement of Profits and losses and Restated Standalone Summary Statement of Cash Flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the year ended 31 March 2017, prepared in accordance with Schedule III of the Companies Act 2013, and the requirements of the SEBI Regulations.

5. Non-adjusting items

In addition to the audit opinion on the standalone financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 ("the CARO 2003 Order") issued by the Central Government of India under sub-section (4A) of Section 227 of Companies Act 1956 on the standalone financial statements of the Company as at and for the financial years ended 31 March 2013 and 31 March 2014, Companies (Auditor's Report) Order, 2015 ("the CARO 2015 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone financial statements of the Company as at and for the financial years ended 31 March 2015 and the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone financial statements of the Company as at and for the financial years ended 31 March 2016 and 31 March 2017 respectively. Certain statements/ comments included in audit opinion on the standalone financial statements and the CARO, which do not require any adjustments in the Restated Standalone Financial Information are reproduced below in respect of the financial statements presented.

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of restatement adjustments to Audited Standalone Financial Statements
Financial Year: 2012-13

Emphasis of Matter in Independent Auditor's Report

Without qualifying our opinion, we draw attention to note 2.2 in the financial statements wherein pursuant to a scheme of arrangement as described in note 2.29, the Company has included in 'Surplus i.e., balance in Statement of Profit and Loss', net profit of Bollineni Heart Centre Limited ('transferor company") amounting INR 37.66 millions and Bollineni Ramanaiah Memorial Hospital Private Limited ("demerged company") amounting INR 24.98 millions for the year ended 31 March 2012. We did not audit the financial statements and other financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for the year ended 31 March 2012 and they were audited by other auditors whose reports have been furnished to us and they have expressed an unmodified opinion on those financial statements.

Clause (i)(a) of the CARO 2003 Order
The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company is in the process of updating full particulars of fixed asset register for the individual items of fixed assets transferred/ taken over from the transferor/demerged Company under the scheme of arrangement.

Clause (iv) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventory and fixed assets are for Company's specialised requirements and similarly certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of pharmacy items and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in the internal control system.

Clause (v) (b) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements referred to in point (a) above and exceeding the value of INR 0.5 millions with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for certain services availed which are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.

Clause (ix) (a) and (b) of the CARO 2003 Order
a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Service tax, Sales tax, Professional tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases in depositing Income taxes, Luxury tax, Employees' State Insurance and Provident fund dues. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Income-tax, Luxury tax, Service tax, Customs duty, Excise duty, Professional tax and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of Service tax, Customs duty, Income tax and Sales tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Luxury tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the Statute	Nature of Dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	1.47	2007-08	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Appellate Deputy Commissioner, Hyderabad

*Interest will be levied separately as applicable.

As explained to us, the Company did not have any dues on account of Wealth tax.

Clause (xi) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to its bankers. Refer Appendix I for the period and amount of delays. The Company has not defaulted in repayment of dues to any financial institutions. The Company did not have any debentures outstanding during the year.

Appendix 1 for Clause (ix)
Details of defaults in payment of principal on term loans to banks:

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
Andhra Bank	38.40	31-Mar-13	10-Apr-13	10
Andhra Bank	14.50	31-Mar-13	16-Apr-13	16
Andhra Bank	23.50	31-Mar-13	25-Apr-13	25
Corporation Bank	5.69	31-Mar-13	3-Apr-13	3
State Bank of Hyderabad	25.40	31-Mar-13	25-Apr-13	25
Total	**107.49**			

Details of defaults in payment of interest on term loans to banks:

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
Andhra Bank	2.28	31-Jan-13	9-Apr-13	68
Andhra Bank	2.38	28-Feb-13	1-Apr-13	32
Andhra Bank	2.79	31-Mar-13	10-Apr-13	10
Andhra Bank	5.34	31-Jan-13	9-Apr-13	68
Andhra Bank	5.06	28-Feb-13	10-Apr-13	41
Andhra Bank	5.31	31-Mar-13	10-Apr-13	10
Andhra Bank	8.47	31-Jan-13	9-Apr-13	68
Andhra Bank	8.29	28-Feb-13	10-Apr-13	41
Andhra Bank	8.15	31-Mar-13	10-Apr-13	10
Andhra Bank	0.08	20-Mar-13	9-May-13	50
Corporation Bank	0.80	31-Mar-13	3-Apr-13	3
State Bank of Hyderabad	3.36	31-Mar-13	25-Apr-13	25
Total	**52.31**			

Details of delays in repayment of principal and interest against the borrowing facilities availed from banks and fallen due during the year ended 31 March 2013, but repaid before 31 March 2013 are as follows:

INR in Millions

Name	Principal amount	Delay (in days)	Interest amount	Delay (in days)
Andhra Bank	115.40	44-87	50.93	4- 92
Andhra Bank	38.00	78-87	56.17	4- 92
Andhra Bank	9.02	4-73	1.52	7- 83
Andhra Bank	-	-	0.11	5- 35
State Bank of Hyderabad	60.82	2-108	42.88	1- 22
Corporation Bank	17.06	20-49	10.24	3- 42
Total	**240.30**		**161.85**	

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of restatement adjustments to Audited Standalone Financial Statements

Financial Year: 2013-14

Emphasis of Matter in Independent Auditor's Report

We draw attention to note 2.2 in the financial statements wherein pursuant to a scheme of arrangement as described in note 2.29, the Company had included in the previous financial year in 'Surplus i.e., balance in Statement of Profit and Loss', net profit of Bollineni Heart Centre Limited ('transferor company") amounting INR 37.66 millions and Bollineni Ramanaiah Memorial Hospital Private Limited ("demerged company") amounting INR 24.98 millions for the year ended 31 March 2012. We did not audit the financial statements and other financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for the year ended 31 March 2012 and they were audited by other auditors whose reports have been furnished to us and they have expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of such matter.

Clause (iv) of the CARO 2003 Order

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventory and fixed assets are for Company's specialised requirements and similarly certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of pharmacy items and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (v) (b) of the CARO 2003 Order

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements referred to in point (a) above and exceeding the value of INR 0.50 millions with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for certain services availed which are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.

Clause (ix) (a) and (b) of the CARO 2003 Order

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Service tax, Provident Fund, Income tax, Sales tax, Professional tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases in depositing Luxury tax and Employees' State Insurance dues. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Cess and Wealth tax.

b) According to the information and explanations given to us, there are no dues of Service tax, Customs duty and Income-tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Sales tax and Luxury tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	-	2009-10	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Sales tax	1.76	0.22	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad

*Interest will be levied separately as applicable.

As explained to us, the Company did not have dues on account of wealth tax.

Clause (xi) of the CARO 2003 Order

In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to its bankers. Refer Appendix I for the period and amount of delays. The Compan did not have any dues to any financial institutions and did not have any debentures outstanding during the year.

Appendix - I for Clause: xi

Details of defaults in payment of principal on term loans to banks:

INR in Millions

Name	Amount	Due date	Amount paid	Payment date	Delay (in days)
Andhra Bank	38.20	31-Mar-14	18.00	3-Apr-14	3
			15.00	24-May-14	54
			3.20	27-May-14	57
			2.00	28-May-14	58
Total	**38.20**		**38.20**		

Details of defaults in payment of interest on term loans to banks:

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
Andhra Bank	6.72	31-Mar-14	3-Apr-14	3
Andhra Bank	4.00	31-Mar-14	3-Apr-14	3
Total	**10.72**			

Details of delays in repayment of principal and interest against the borrowing facilities availed from banks and fallen due during the year ended 31 March 2014, but repaid before 31 March 2014 are as follows:

INR in Millions

Name	Principal Amount	Delay (in days)	Interest amount	Delay (in days)
Andhra Bank	228.00	27-88	111.47	3-88
Andhra Bank	5.98	42-62	0.45	5-73
Andhra Bank	-	-	28.53	2-69
Andhra Bank	-	-	43.13	3-90
Axis Bank	0.06	14	0.01	1-14
HDFC Bank	21.48	1-15	5.99	1-15
HDFC Bank	0.64	1-2	0.06	1-2
State Bank of Hyderabad	-	-	9.05	1-13
Corporation Bank	5.69	4	3.44	2-7
ICICI Bank	-	-	20.68	4-7
Total	**261.85**		**222.81**	

Clause (xvii) of the CARO 2003 Order

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the short-term funds amounting to INR 89.26 millions have been used for long-term purposes.

Annexure - V

Statement of restatement adjustments to Audited Standalone Financial Statements
Financial Year: 2014-15

Clause (iv) of the CARO 2015 Order
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventory and fixed assets are for Company's specialised requirements and similarly certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of pharmacy items and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in the internal control system during the course of the audit.

Clause (vii) (a) and (b) of the CARO 2015 Order

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Income tax, Value added tax, duty of customs, Luxury tax, Sales tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in depositing Provident Fund, Service tax and Professional tax. As explained to us, the Company did not have any dues on account of duty of excise, Wealth tax and Cess.

(b) According to the information and explanations given to us, there are no dues of duty of customs, Sales tax and Income-tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax and service tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	-	2008-09	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	-	2009-10	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	13.50	2.41	July 2010 to December 2010	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	18.09	6.49	July 2010 to April 2011	CESTAT, Bangalore

*Interest will be levied separately as applicable.
As explained to us, the Company did not have any dues on account of wealth tax, duty of excise and Cess.

Clause (ix) of the CARO 2015 Order
In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to its bankers. Refer Appendix I for the period and amount of delays. The Company did not have any dues to any financial institutions and did not have any debentures outstanding during the year.

Appendix I for Clause ix
Details of delays in payment of interest on term loans to banks:

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
ICICI Bank	4.00	30-Apr-14	3-May-14	3
ICICI Bank	3.80	30-Apr-14	5-May-14	5
Andhra Bank	6.17	30-Apr-14	24-May-14	24
Andhra Bank	3.78	30-Apr-14	28-May-14	28
Andhra Bank	0.24	31-May-14	9-Jun-14	9

Financial Year: 2015-16

Clause (vii) (a) and (b) of the CARO 2016 Order
a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Income-tax, Value added tax, Duty of Custom, Luxury tax, Sales tax, Provident Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in depositing Service tax. As explained to us, the company did not have any dues on account of Duty of Excise and Cess.

b) According to the information and explanations given to us, there are no dues of Sales tax, duty of customs, and duty of Excise which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax, Income tax and service tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	-	2008-09	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	6.77	2009-10	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	12.61	-	2010-11	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	13.50	2.41	July 2010 to December 2010	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	18.09	6.49	July 2010 to April 2011	CESTAT, Bangalore

*Interest will be levied separately as applicable.

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of restatement adjustments to Audited Standalone Financial Statements
Financial Year: 2016-17

Clause (vii) (a) and (b) of the CARO 2016 Order

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Income tax, Service tax, Duty of Custom, Value added tax, Luxury tax, Provident Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Duty of Excise and Cess.

b) According to the information and explanations given to us, there are no dues of Income tax and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax and Service tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Honourable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Honorable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Honorable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	-	2008-09	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	6.77	2009-10	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	12.61	-	2010-11	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	13.50	2.41	July 2010 to December 2010	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	18.09	6.49	July 2010 to April 2011	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	28.00	1.05	April 2011 to March 2014	Commissioner of Service tax

* Interest will be levied separately as applicable.

As explained to us, the Company did not have any dues on account of Duty of Excise, Sales tax and Cess.

Annexure - VI
Notes to Restated Standalone Financial Information

1. Share capital

INR in Millions, except share details

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Authorised*						
Equity shares of INR 10 each	950.00	950.00	710.00	150.00	150.00	150.00
	950.00	**950.00**	**710.00**	**150.00**	**150.00**	**150.00**
Issued, Subscribed and Paid-up						
Equity shares of INR 10 each, fully paid-up	716.25	716.25	704.04	88.00	56.11	38.25
Total	**716.25**	**716.25**	**704.04**	**88.00**	**56.11**	**38.25**

* During the year ended 31 March 2013, the Authorised share capital increased in terms of Scheme of Arrangement as approved by the Honourable High Court of Andhra Pradesh in respect of which the requisite forms have been filed subsequent to 31 March 2013.

2. Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period/year.

Particulars	As at 30 September 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the commencement of the period/year	71,624,596	716.25	70,403,856	704.04	8,800,482	88.00	5,610,862	56.11	3,825,484	38.25	3,825,484	38.25
Add: Shares issued during the period/year	-	-	1,220,740	12.21	-	-	256,126	2.56	1,275,300	12.75	-	-
Add: Shares issued as bonus shares	-	-	-	-	61,603,374	616.04	2,933,494	29.33	510,078	5.11	-	-
Shares outstanding at the end of the period/year	**71,624,596**	**716.25**	**71,624,596**	**716.25**	**70,403,856**	**704.04**	**8,800,482**	**88.00**	**5,610,862**	**56.11**	**3,825,484**	**38.25**

3. 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. The equity shares 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 its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

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.

4. Particulars of shareholders holding more than 5% equity shares

Name of shareholder	As at 30 September 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
India Advantage Fund S31	19,663,728	27.45	19,663,728	27.45	19,663,728	27.93	2,457,966	27.93	-	-	-	-
Dr. B Bhaskar Rao	19,756,664	27.58	19,756,664	27.58	19,756,664	28.06	2,469,583	28.06	1,646,389	29.34	644,617	16.85
B. Seenaiah	5,330,408	7.44	5,330,408	7.44	5,330,408	7.57	666,301	7.57	468,201	8.34	425,637	11.13
Bollineni Ramanaiah Memorial Hospitals Private Limited	4,800,632	6.70	4,800,632	6.70	4,800,632	6.82	600,079	6.82	433,693	7.73	394,266	10.31
B. Sujatha	-	-	-	-	-	-	-	-	299,595	5.34	272,359	7.12
B. Aishwarya	-	-	-	-	-	-	-	-	-	-	203,278	5.31
IL&FS Trust Company Limited A/C Milestone Private Equity Limited	-	-	-	-	-	-	-	-	1,072,682	19.12	975,165	25.49

5. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Equity shares of INR 10 each, fully paid up, allotted on 27 June 2013 pursuant to the scheme of arrangement	-	-	-	-	1,275,300	-
Equity Shares of INR 10 each, fully paid up allotted as bonus shares by capitalisation of Securities Premium*	-	-	61,603,374	2,933,494	510,078	-

* During the year ended 31 March 2016, the bonus shares were issued by the Company in 2 tranches utilising Securities Premium:

1) Tranche 1 - one equity share for every 1 share held on 19 August 2015
2) Tranche 2 - three equity shares for every 1 shares held on 20 January 2016

* During the year ended 31 March 2015, the bonus shares were issued by the Company in the proportion of one equity share for every two equity shares held.

* During the year ended 31 March 2014, the bonus shares were issued by the Company in the proportion of one equity share for every ten equity shares held.

6. The Company has not bought back any shares during the period of five years immediately preceding the last balance sheet date.

7. Shares to be issued pursuant to the Scheme of Arrangement represent 1,275,300 equity shares of INR 10 each fully paid up as per Scheme of Arrangement as approved by the Honourable High Court of Andhra Pradesh. The said shares were allotted on 27 June 2013. (Refer Annexure XXX Note 8).

Krishna Institute of Medical Sciences Limited

Annexure - VII
Notes to Restated Standalone Financial Information

Reserves and surplus

INR in Millions

	Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(a)	**Securities premium account**						
	Balance at the commencement of the period/year	779.64	486.66	1,102.69	786.28	791.38	791.38
	Add: Premium on new shares issued	-	292.98	-	362.87	-	-
	Less: Expenses for share issue	-	-	-	17.13	-	-
	Less: Utilised for issue of bonus shares	-	-	616.03	29.33	5.10	-
	Balance at the end of the period/year	**779.64**	**779.64**	**486.66**	**1,102.69**	**786.28**	**791.38**
(b)	**Adjustment reserve (refer Annexure XXX - Note 8)**						
	Balance at the beginning of the period/year	57.64	57.64	57.64	57.64	57.64	57.64
	Balance at the end of the period/year	**57.64**	**57.64**	**57.64**	**57.64**	**57.64**	**57.64**
(c)	**Surplus i.e. balance in Restated Standalone Summary Statement of Profit and Loss**						
	Balance at the beginning of the period/year	1,687.43	1,362.02	1,119.04	1,061.04	1,019.10	836.39
	Add: Profit for the period/year	170.79	325.41	242.98	58.00	41.94	182.71
	Balance at the end of the period/year	**1,858.22**	**1,687.43**	**1,362.02**	**1,119.04**	**1,061.04**	**1,019.10**
	Total (a) + (b) + (c)	**2,695.50**	**2,524.71**	**1,906.32**	**2,279.37**	**1,904.96**	**1,868.12**

Krishna Institute of Medical Sciences Limited

Annexure - VIII A
Notes to Restated Standalone Financial Information

Long-term borrowings

INR in Millions

	As at 30 September 2017			As at 31 March 2017			As at 31 March 2016			As at 31 March 2015			As at 31 March 2014			As at 31 March 2013		
	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total
Secured																		
Term loans																		
From banks	1,729.98	528.24	2,258.22	1,802.92	619.97	2,422.89	1,654.63	566.95	2,221.58	1,846.95	392.99	2,239.94	1,760.84	313.65	2,074.49	1,428.03	625.86	2,053.89
From other parties	89.32	63.47	152.79	107.56	69.90	177.46	13.78	46.23	60.01	59.13	82.18	141.31	160.48	92.03	252.51	171.43	90.93	262.36
Total secured loans (A)	**1,819.30**	**591.71**	**2,411.01**	**1,910.48**	**689.87**	**2,600.35**	**1,668.41**	**613.18**	**2,281.59**	**1,906.08**	**475.17**	**2,381.25**	**1,921.32**	**405.68**	**2,327.00**	**1,599.46**	**716.79**	**2,316.25**
Unsecured																		
Deferred payment liabilities	66.03	37.96	103.99	47.61	14.46	62.07	63.86	13.10	76.96	70.14	6.38	76.52	76.29	1.37	77.66	-	-	-
Total unsecured loans (B)	**66.03**	**37.96**	**103.99**	**47.61**	**14.46**	**62.07**	**63.86**	**13.10**	**76.96**	**70.14**	**6.38**	**76.52**	**76.29**	**1.37**	**77.66**	**-**	**-**	**-**
Total (A) + (B)	**1,885.33**	**629.67**	**2,515.00**	**1,958.09**	**704.33**	**2,662.42**	**1,732.27**	**626.28**	**2,358.55**	**1,976.22**	**481.55**	**2,457.77**	**1,997.61**	**407.05**	**2,404.66**	**1,599.46**	**716.79**	**2,316.25**

* Refer current maturities of long-term borrowings under Annexure XIII "Other current liabilities."

Aggregate amount of secured loans (including current maturities of long-term borrowings) guaranteed by director and others	2,368.45	2,597.09	2,237.72	2,270.74	1,172.06	1,998.04

Notes:
1. Refer Annexure VIII B for terms and conditions of the secured and unsecured borrowings.
2. Details of continuing defaults as on 31 March 2013 is disclosed below. There were no continuing defaults as on balance sheet date for year ended 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for the six months period ended 30 September 2017.

INR in Millions

Name of the bank	Amount	Due date	Delay in days	Nature of dues
Andhra Bank	2.28	31-Jan-13	60	Interest
Andhra Bank	2.38	28-Feb-13	32	Interest
Andhra Bank	5.34	31-Jan-13	60	Interest
Andhra Bank	5.06	28-Feb-13	32	Interest
Andhra Bank	8.47	31-Jan-13	60	Interest
Andhra Bank	8.29	28-Feb-13	32	Interest
Total	**31.82**			

Krishna Institute of Medical Sciences Limited

Annexure - VIII B
Notes to Restated Standalone Financial Information

Long-term borrowings

INR in Millions

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	Andhra Bank	Term loan	INR	840.00	75.84	1Y MCLR + 0.45% (spread) + 0.50% (TP)	18-March-2011	22 equal quarterly instalments commencing from quarter ended December 2012 to March 2018.	Not applicable.	Not applicable.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
2	Andhra Bank	Term loan	INR	450.00	203.95	1Y MCLR + 0.45% (spread) + 0.50% (TP)	28-December-2012	22 quarterly instalments commencing from quarter ended December 2014 to March 2020.	Not applicable.	Not applicable.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao,B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
3	Andhra Bank	Term loan	INR	200.00	54.87	1Y MCLR + 0.45% (spread) + 0.50% (TP)	27-June-2015	29 equal monthly instalments from December 2015 to April 2018.	Not applicable.	Not applicable.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
4	Andhra Bank	Term loan	INR	150.00	119.51	1Y MCLR + 0.45% (spread) + 0.50% (TP)	26-September-2016	20 equal quarterly instalments from December 2016 to September 2021.	2% of the amount prepaid.	2%	1. Second pari passu charge on unencumbered movable and immovable fixed assets of the Company both present and future along with other lenders except Rajahmundry unit fixed assets. 2. Personal guarantee of Dr.B. Bhaskar Rao, B. Krishnaiah, B. Seenaiah and D. Anitha. 3. Pledge of 14.1 millions shares of promoter directors. 4. Secured by second pari passu charge on the commercial land and building situated at Nellore belonging to the Company, second charge on land and building and all other fixed assets purchased for Ongole unit in slump sale and other assets purchased out of term loan.
5	Andhra Bank	Term loan	INR	500.00	493.75	1Y MCLR + 0.45% (spread) + 0.50% (TP)	26-September-2016	40 unequal quarterly instalments from March 2019 to December 2028.	2% of the amount prepaid.	2%	1. Exclusive charge on land and building and all other fixed assets purchased for Ongole unit in slump sale and other assets purchased out of term loan. 2.Second charge on the current assets (present and future) pertaining to Ongole unit. 3.Secured by pledge of 14.1 millions shares of promoter directors. 4. Personal guarantee of Dr.B. Bhaskar Rao, B. Krishnaiah, B. Seenaiah and D. Anitha.
6	HDFC Bank Limited	Term loan	INR	90.00	40.00	9.75%	10-March-2017	Loan is repayable in monthly instalments of 7 years including 2 years door to door Principle moratorium.	2% of the amount prepaid in the loan is closed within 2 years and Nil if prepaid after 2 years.	Not applicable.	1.Secured by way first and exclusive charge on the medical equipment out of sanctioned facility.
7	HDFC Bank Limited	Vehicle loan	INR	1.41	0.99	12.51%	29-August-2016	35 equal monthly instalments.	Not applicable.	Not applicable.	Hypothecation of vehicles procured from the said loan.
8	HDFC Bank Limited	Vehicle loan	INR	1.97	1.28	9.75%	4-July-2016	36 equal monthly instalments.	Not applicable.	Not applicable.	Hypothecation of vehicles procured from the said loan.
9	ICICI Bank	Corporate loan	INR	195.00	185.26	1Y MCLR + 1.8% (spread)	6-May-16	60 equal monthly instalments from July 2017 to June 2022.	Not applicable.	Delay in repayment of principal instalment or repayment of interest, charge or other monies due on facility default interest rate i.e.; Document rate +2% p.a payable monthly.	1.Secured by currents assets, both present and future of Rajahmundry hospital and collateral security by way of exclusive charge on commercial property of Rajahmundry branch. 2. Secured by personal guarantee of Dr. B. Bhaskar Rao.

Krishna Institute of Medical Sciences Limited

Annexure - VIII B
Notes to Restated Standalone Financial Information

Long-term borrowings (continued)

INR in Millions

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
10	Syndicate Bank	Term loan	INR	990.00	756.16	1Y MCLR + 0.45% (spread) + 0.50% (TP)	18-March-2015	30 unequal quarterly instalments from December 2015 to March 2023.	Not applicable.	2% p.a shall be collected on the over due sum.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao,B. Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
11	Syndicate Bank	Term loan	INR	220.00	152.30	1Y MCLR + 0.45% (spread) + 0.50% (TP)	18-March-2015	26 equal quarterly instalments from December 2015 to March 2022.	Not applicable.	2% p.a shall be collected on the over due sum.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B.Krishnaiah, Dr. B.Bhaskar Rao, B.Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
12	Syndicate Bank	Term loan	INR	100.00	37.94	1Y MCLR + 0.45% (spread) + 0.50% (TP)	2-September-2015	29 monthly equal instalments from April 2016 to August 2018.	As applicable.	2%	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
13	Vijaya Bank	Mortgage Loan	INR	106.50	72.62	1Y MCLR + 0.45% (spread) + 0.50% (TP)	23-January-2015	22 equal quarterly instalments from December 2015 to March 2021.	1.12% on the amount prepaid/ paid before the due date.	Penal interest of 2% p.a for any delayed / unpaid instalments without any notice for the same.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
14	Vijaya Bank	Term loan	INR	93.50	63.75	1Y MCLR + 0.45% (spread) + 0.50% (TP)	23-January-2015	22 equal quarterly instalments from December 2015 to March 2021.	1.12% on the amount prepaid/ paid before the due date.	Penal interest of 2% p.a for any delayed / unpaid instalments without any notice for the same.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao,B. Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
15	De Lage Landen Financial Services India Private Limited	Term loan	INR	37.80	34.99	11.25%	20-July-2016	42 monthly unequal instalments inclusive of 6 months moratorium from September 2016 to February 2020.	Not applicable.	Not applicable.	1.First and exclusive charge on all the assets procured through the facility. 2.Personal guarantee of Dr. B Bhaskar Rao. 3. Collateral security of Medical and Surgical equipments procured from the said loan.
16	De Lage Landen Financial Services India Private Limited	Term loan	INR	7.04	6.89	11.25%	9-January-2017	42 monthly unequal instalments inclusive of 6 months moratorium from September 2016 to February 2020.	Not applicable.	Not applicable.	1.First and exclusive charge on all the assets procured through the facility. 2.Personal guarantee of Dr. B Bhaskar Rao. 3. Collateral security of Medical and Surgical equipments procured from the said loan.
17	De Lage Landen Financial Services India Private Limited	Term loan	INR	14.99	14.82	11.25%	9-February-2017	42 monthly unequal instalments inclusive of 6 months moratorium from September 2016 to February 2020.	Not applicable.	Not applicable.	1.First and exclusive charge on all the assets procured through the facility. 2.Personal guarantee of Dr. B Bhaskar Rao. 3. Collateral security of Medical and Surgical equipments procured from the said loan.

Annexure - VIII B
Notes to Restated Standalone Financial Information

Long-term borrowings (continued)

INR in Millions

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
18	Siemens Financial Services Private Limited	Equipment loan	INR	30.26	4.02	Ranging from 11% to 13.50% per annum	10-September-2013	48 equal monthly instalments.	2% of the principal outstanding for the first year and 1% for balance 2 years.	3% per month on the amount of monthly instalments which remain unpaid on due date.	1.Exclusive charge of the assets procured by the loan. 2.Also secured by personal guarantee of Managing Director of the Company. 3. Corporate Guarantee given by KIMS Hospital Enterprises Private Limited.
19	Siemens Financial Services Private Limited	Equipment loan	INR	6.12	0.96	Ranging from 11% to 13.50% per annum	18-December-2013	48 equal monthly instalments.	4% on prepaid amount / amount outstanding.	3% per month on the amount of monthly instalments which remain unpaid on due date.	1. Exclusive charge on medical equipment procured by the loan. 2. Secured by personal guarantee of Managing Director of the Company.
20	Siemens Financial Services Private Limited	Equipment loan	INR	13.55	4.26	Ranging from 11% to 13.50% per annum	30-March-2016	24 equal monthly instalments.	1st year 3% and 1% on balance tenor.	3% charges per month.	1. Exclusive charge of the assets procured by the loan. 2. Secured by personal guarantee of Managing Director of the Company.
21	Siemens Financial Services Private Limited	Equipment loan	INR	130.00	85.11	Ranging from 11% to 13.50% per annum	24-June-2016	36 equated monthly instalments.	4% on prepaid amount / amount outstanding.	3% per month on the amount of monthly instalments which remain unpaid on due date.	1.Secured by way of hypothecation of Medical and Surgical equipment procured from the said loan. 2. Personal guarantee of Managing Director of the Company.
22	Siemens Financial Services Private Limited	Equipment loan	INR	4.65	1.46	Ranging from 11% to 13.50% per annum	27-April-2016	24 unequal monthly instalments.	1st year 3% and 1% on balance tenor.	3% charges per month.	1.Secured by way of hypothecation of Medical and Surgical equipment procured from the said loan. 2. Personal guarantee of Managing Director of the Company.
23	Toyota Financial Services	Vehicle loan	INR	1.05	0.28	9.75%	4-July-2015	36 equal monthly instalments.	within 6 months - 6% within 7 to 24 months - 5% more than 24 months - 3%	2% charges per month.	Hypothecation of vehicles procured from the said loan.
24	Philips India Limited	Deferred payment liability for civil works	INR	77.65	53.81	12.00%	31-January-2014	78 unequal monthly instalments.	Not applicable.	2% higher than the normally applicable rate of interest.	Unsecured.
25	Philips India Limited	Deferred payment liability for purchase of equipment	INR	5.25	1.04	12.00%	2-February-2015	36 equal monthly instalments.	Not applicable.	3% higher than the normally applicable rate of interest.	Unsecured.
26	Vattikuti Technologies Private Limited	Deferred payment liability for purchase of equipment	INR	90.00	49.14	0.00%	8-April-2017	Two equal yearly instalments starting from 15 January 2018.	Not applicable.	3% higher than the normally applicable rate of interest.	Unsecured.

Krishna Institute of Medical Sciences Limited

Annexure - IX
Notes to Restated Standalone Financial Information

Deferred tax liabilities (net)

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deferred tax assets						
Provision for employee benefits	49.61	38.24	32.53	17.09	11.61	6.61
Business loss	-	-	-	7.30	-	-
Provision for doubtful receivables	23.14	18.24	11.37	6.39	4.58	-
Others	-	-	1.18	-	-	2.86
Total (A)	**72.75**	**56.48**	**45.08**	**30.78**	**16.19**	**9.47**
Deferred tax liabilities						
Excess of depreciation/ amortisation allowable under Income-tax law over depreciation/ amortisation provided in accounts	536.54	511.47	466.01	416.15	338.15	249.85
Total (B)	**536.54**	**511.47**	**466.01**	**416.15**	**338.15**	**249.85**
Total (B) - (A)	**463.79**	**454.99**	**420.93**	**385.37**	**321.96**	**240.38**

Krishna Institute of Medical Sciences Limited

Annexure - X
Notes to Restated Standalone Financial Information

1 Other long-term liabilities

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Security deposits	0.09	0.09	0.09	0.09	0.19	0.19
Total	**0.09**	**0.09**	**0.09**	**0.09**	**0.19**	**0.19**

2 Long-term provisions

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Provision for employee benefits						
Gratuity [refer Annexure XXX-Note 12]	79.24	65.66	50.91	25.90	19.62	14.59
Compensated absences	-	-	-	3.56	2.77	1.26
Total	**79.24**	**65.66**	**50.91**	**29.46**	**22.39**	**15.85**

Krishna Institute of Medical Sciences Limited

Annexure - XI A
Notes to Restated Standalone Financial Information

Short-term borrowings

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Secured						
Working capital loans from banks	172.68	101.75	147.38	138.69	200.26	84.77
Loan from other						
- Placid Limited	-	-	-	168.00	-	-
Unsecured						
Loans from related parties (refer Annexure XXVIIIB)						
- Director	-	2.74	2.74	9.64	49.79	28.74
- Subsidiary	-	-	-	-	-	9.97
- Other related parties	-	-	-	-	12.62	1.88
Total	**172.68**	**104.49**	**150.12**	**316.33**	**262.67**	**125.36**
Aggregate amount of secured loan guaranteed by directors and others	172.68	101.75	147.38	138.69	127.02	84.77

Notes:
1. Refer Annexure XI B for terms and conditions of secured and unsecured short-term borrowings.

Krishna Institute of Medical Sciences Limited

Annexure - XI B
Notes to Restated Standalone Financial Information

Short-term borrowings

INR in Millions

S. No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Repayment terms	Security
1	Andhra Bank	Cash credit	INR	176.00	152.39	1Y MCLR + 0.45% (spread) + 0.50% (TP)	On demand	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B.Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
2	Syndicate Bank	Overdraft	INR	50	-1.27	1Y MCLR + 0.45% (spread) + 0.50% (TP)	On demand	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B.Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
3	Vijaya Bank	Cash credit	INR	24.00	20.29	1Y MCLR + 0.30% (spread) + 1.55% (TP).	On demand	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B.Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.

Krishna Institute of Medical Sciences Limited

Annexure - XII
Notes to Restated Standalone Financial Information

Trade payables

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade payables						
- total outstanding dues of micro enterprises and small enterprises [refer Annexure XXX- note 7]	-	-	0.02	0.05	0.02	0.09
- total outstanding dues of creditors other than micro enterprises and small enterprises	956.03	730.35	625.76	582.52	571.67	384.31
Total	**956.03**	**730.35**	**625.78**	**582.57**	**571.69**	**384.40**

Krishna Institute of Medical Sciences Limited

Annexure - XIII
Notes to Restated Standalone Financial Information

Other current liabilities

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Current maturities of long-term borrowings (refer Annexure VIIIA)	629.67	704.33	626.28	481.55	407.05	716.79
Capital creditors	13.63	38.52	8.93	40.44	385.98	460.94
Employee benefits payable	130.56	84.43	68.30	55.09	45.94	36.49
Statutory dues payable	28.38	50.91	38.16	66.08	86.65	21.96
Interest accrued and due on borrowings	-	-	-	-	10.72	52.26
Interest accrued but not due on borrowings	9.67	6.97	12.10	6.17	14.08	1.26
Book overdrafts	-	-	4.49	-	-	-
Advance received from patients	32.99	35.99	41.66	35.05	24.82	26.73
Payable for purchase of shares (refer Annexure XXVIIIB)	-	0.20	-	-	-	-
Reimbursement of claims payable (refer Annexure XXVIIIB)	-	-	7.58	1.49	-	6.91
Retention money	1.82	2.29	5.48	7.72	7.66	20.22
Other liabilities	27.56	28.91	31.25	24.50	48.76	6.55
Total	**874.28**	**952.55**	**844.23**	**718.09**	**1,031.66**	**1,350.11**

Krishna Institute of Medical Sciences Limited

Annexure - XIV
Notes to Restated Standalone Financial Information

Short-term provisions

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits						
Gratuity [Refer Annexure XXX-Note 12]	3.45	2.95	3.80	1.39	0.73	0.92
Compensated absences	30.78	22.95	22.79	8.07	5.45	5.37
Total	**34.23**	**25.90**	**26.59**	**9.46**	**6.18**	**6.29**

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Standalone Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	As at 1 April 2017	Additions	Disposals	As at 30 September 2017	As at 1 April 2017	Depreciation/ amortisation for the period	Disposals	As at 30 September 2017	As at 30 September 2017
A. Property, plant and equipment									
Freehold land	17.81	63.24	-	81.05	-	-	-	-	81.05
Leasehold land (refer note 1 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 2 below)	3,113.36	410.56	-	3,523.92	245.16	28.57	-	273.73	3,250.19
Medical and surgical equipments	2,607.52	381.21	-	2,988.73	1,160.68	103.61	-	1,264.29	1,724.44
Plant and equipments	140.04	11.64	-	151.68	39.72	5.29	-	45.01	106.67
Office equipments	37.27	7.97	-	45.24	23.63	4.71	-	28.34	16.90
Electrical equipments	443.12	31.95	-	475.07	223.00	22.54	-	245.54	229.53
Computers	99.06	10.90	-	109.96	83.18	6.25	-	89.43	20.53
Furniture and fixtures	275.85	17.25	-	293.10	127.40	13.97	-	141.37	151.73
Vehicles	35.76	9.86	-	45.62	20.96	2.02	-	22.98	22.64
Total	**6,921.61**	**944.58**	**-**	**7,866.19**	**1,923.73**	**186.96**	**-**	**2,110.69**	**5,755.50**
B. Intangible assets									
Software	20.75	3.41	-	24.16	6.29	2.07	-	8.36	15.80
Total	**20.75**	**3.41**	**-**	**24.16**	**6.29**	**2.07**	**-**	**8.36**	**15.80**

C. Capital work-in-progress

Particulars	As at 1 April 2017	Additions	Capitalised during the period	As at 30 September 2017
Capital work-in-progress	635.48	40.57	653.19	22.86
Total	**635.48**	**40.57**	**653.19**	**22.86**

Notes:

1. Leasehold land is in the nature of perpetual lease and is not amortised.
2. Buildings amounting to gross block INR 49.62 millions and Net block INR 35.25 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and is renewable at the option of the Company.
3. Refer Annexure XXX -Note 10 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Standalone Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	As at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	Depreciation/ amortisation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
A. Property, plant and equipment									
Freehold land	10.95	6.86	-	17.81	-	-	-	-	17.81
Leasehold land (refer note 1 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 2 below)	2,972.89	140.47	-	3,113.36	196.12	49.04	-	245.16	2,868.20
Medical and surgical equipments	2,456.25	151.27	-	2,607.52	975.56	185.12	-	1,160.68	1,446.84
Plant and equipments	139.95	0.09	-	140.04	30.01	9.71	-	39.72	100.32
Office equipments	34.36	2.91	-	37.27	15.62	8.01	-	23.63	13.64
Electrical equipments	422.57	22.02	1.47	443.12	181.10	43.30	1.40	223.00	220.12
Computers	88.74	10.32	-	99.06	72.92	10.26	-	83.18	15.88
Furniture and fixtures	247.90	27.95	-	275.85	101.21	26.19	-	127.40	148.45
Vehicles	31.25	4.83	0.32	35.76	18.08	3.03	0.15	20.96	14.80
Total	**6,556.68**	**366.72**	**1.79**	**6,921.61**	**1,590.62**	**334.66**	**1.55**	**1,923.73**	**4,997.88**
B. Intangible assets									
Software	15.99	4.76	-	20.75	3.25	3.04	-	6.29	14.46
Total	**15.99**	**4.76**	**-**	**20.75**	**3.25**	**3.04**	**-**	**6.29**	**14.46**

C. Capital work-in-progress

Particulars	As at 1 April 2016	Additions	Capitalised during the year	As at 31 March 2017
Capital work-in-progress (refer note 4 below)	23.08	752.87	140.47	635.48
Total	**23.08**	**752.87**	**140.47**	**635.48**

Notes:

1. Leasehold land is in the nature of perpetual lease and is not amortised .
2. Buildings amounting to gross block INR 49.62 millions and Net block INR 35.60 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and is renewable at the option of the Company.
3. Refer Annexure XXX -Note 10 for incidental expenditure incurred during the construction period.
4. Capital work-in-progress includes INR 527.80 millions paid via slump sale agreement dated 25 October 2016 for the purchase of business undertaking from Ongole Aarogya Hospitals Private Limited.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Standalone Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	As at 1 April 2015	Additions	Disposals	As at 31 March 2016	As at 1 April 2015	Depreciation/ amortisation for the year	Disposals	As at 31 March 2016	As at 31 March 2016
A. Property, plant and equipment									
Freehold land	5.11	5.84	-	10.95	-	-	-	-	10.95
Leasehold land (refer note 2 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 3 below)	2,747.98	224.91	-	2,972.89	150.85	45.27	-	196.12	2,776.77
Medical and surgical equipments	2,429.70	74.18	47.63	2,456.25	832.44	190.46	47.34	975.56	1,480.69
Plant and equipments	118.63	23.34	2.02	139.95	22.82	9.21	2.02	30.01	109.94
Office equipments	31.57	2.79	-	34.36	10.11	5.51	-	15.62	18.74
Electrical equipments	415.61	7.42	0.46	422.57	138.44	43.12	0.46	181.10	241.47
Computers	78.77	9.97	-	88.74	52.20	20.72	-	72.92	15.82
Furniture and fixtures	227.49	20.58	0.17	247.90	78.20	23.05	0.04	101.21	146.69
Vehicles	27.33	7.15	3.23	31.25	17.63	2.98	2.53	18.08	13.17
Total	**6,234.01**	**376.18**	**53.51**	**6,556.68**	**1,302.69**	**340.32**	**52.39**	**1,590.62**	**4,966.06**
B. Intangible assets									
Software	9.27	6.72	-	15.99	1.27	1.98	-	3.25	12.74
Total	**9.27**	**6.72**	**-**	**15.99**	**1.27**	**1.98**	**-**	**3.25**	**12.74**

C. Capital work-in-progress

Particulars	**As at 1 April 2015**	**Additions**	**Capitalised during the year**	**As at 31 March 2016**
Capital work-in-progress	100.55	135.02	212.49	23.08
Total	**100.55**	**135.02**	**212.49**	**23.08**

Notes:

1. During the financial year 2015-2016, foreign exchange fluctuation loss amounting to INR 0.21 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R. 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R. 914(E) dated 29 December 2011.
2. Leasehold land is in the nature of perpetual lease and is not amortised.
3. Buildings amounting to Gross block INR 49.62 millions and Net block INR 36.28 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and is renewable at the option of the Company.
4. Refer Annexure XXX -Note 10 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Standalone Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation/ amortisation for the year	Disposals	As at 31 March 2015	As at 31 March 2015
A. Property, plant and equipment									
Freehold land	-	5.11	-	5.11	-	-	-	-	5.11
Leasehold land (refer note 2 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 4 below)	2,204.98	543.00	-	2,747.98	113.35	37.50	-	150.85	2,597.13
Medical and surgical equipments	2,359.91	148.93	79.14	2,429.70	676.76	178.96	23.28	832.44	1,597.26
Plant and equipments	76.92	42.48	0.77	118.63	16.42	6.54	0.14	22.82	95.81
Office equipments	31.40	0.17	-	31.57	3.62	6.49	-	10.11	21.46
Electrical equipments	399.34	16.27	-	415.61	95.94	42.50	-	138.44	277.17
Computers	69.45	9.32	-	78.77	40.55	11.65	-	52.20	26.57
Furniture and fixtures	197.25	31.71	1.47	227.49	56.97	21.29	0.06	78.20	149.29
Vehicles	26.59	0.74	-	27.33	13.83	3.80	-	17.63	9.70
Total	**5,517.66**	**797.73**	**81.38**	**6,234.01**	**1,017.44**	**308.73**	**23.48**	**1,302.69**	**4,931.32**
B. Intangible assets									
Software	3.91	5.36	-	9.27	0.42	0.85	-	1.27	8.00
Total	**3.91**	**5.36**	**-**	**9.27**	**0.42**	**0.85**	**-**	**1.27**	**8.00**

C. Capital work-in-progress

Particulars	**As at 1 April 2014**	**Additions**	**Capitalised during the year**	**As at 31 March 2015**
Capital work-in-progress	509.40	219.48	628.33	100.55
Total	**509.40**	**219.48**	**628.33**	**100.55**

Notes:

1. During the financial year 2014-2015, foreign exchange fluctuation loss amounting to INR 17.78 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R 914(E) dated 29 December 2011.
2. Leasehold land is in the nature of perpetual lease and is not amortised .
3. During the financial year 2014-2015, Freehold land having a market value of INR 35.42 millions has been transferred by the promoters to the Company without consideration.
4. Buildings amounting to Gross block INR 49.62 millions and Net block INR 36.96 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
5. Refer Annexure XXX - Note 10 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Standalone Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	Depreciation/ amortisation for the year	Disposals	As at 31 March 2014	As at 31 March 2014
A. Property, plant and equipment									
Freehold land	3.82	-	3.82	-	-	-	-	-	-
Leasehold land (refer note 3 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 4 below)	1,698.18	506.80	-	2,204.98	81.77	31.58	-	113.35	2,091.63
Medical and surgical equipments	2,192.59	185.32	18.00	2,359.91	527.30	159.25	9.79	676.76	1,683.15
Plant and equipments	56.05	20.87	-	76.92	12.85	3.57	-	16.42	60.50
Office equipments	31.40	-	-	31.40	3.22	0.40	-	3.62	27.78
Electrical equipments	348.88	54.31	3.85	399.34	72.60	25.96	2.62	95.94	303.40
Computers	59.32	10.13	-	69.45	30.32	10.23	-	40.55	28.90
Furniture and fixtures	161.80	35.45	-	197.25	46.58	10.39	-	56.97	140.28
Vehicles	23.65	2.97	0.03	26.59	11.48	2.36	0.01	13.83	12.76
Wind mill power plant	179.26	-	179.26	-	37.91	3.16	41.07	-	-
Total	**4,906.77**	**815.85**	**204.96**	**5,517.66**	**824.03**	**246.90**	**53.49**	**1,017.44**	**4,500.22**
B. Intangible assets									
Software	0.71	3.20	-	3.91	0.10	0.32	-	0.42	3.49
Total	**0.71**	**3.20**	**-**	**3.91**	**0.10**	**0.32**	**-**	**0.42**	**3.49**

C. Capital work-in-progress

Particulars	**As at 1 April 2013**	**Additions**	**Capitalised during the year**	**As at 31 March 2014**
Capital work-in-progress (refer note 1 below)	738.32	396.10	625.02	509.40
Total	**738.32**	**396.10**	**625.02**	**509.40**

Notes:

1. Capital work-in-progress includes interest costs of INR 22.91 millions. Interest costs of INR 28.52 millions included in Capital work-in-progress has been capitalised as part of Property, plant and equipment.
2. During the financial year 2013-14, foreign exchange fluctuation loss amounting to INR 32.57 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R 914(E) dated 29 December 2011.
3. Leasehold land is in the nature of perpetual lease and is not amortised.
4. Buildings amounting to Gross block INR 124.40 millions and Net block INR 106.45 millions are constructed on the Land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
5. Refer Annexure XXX -Note 10 for incidental expenditure during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Standalone Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	As at 1 April 2012	Additions	Disposals	As at 31 March 2013	As at 1 April 2012	Depreciation/ amortisation for the year	Disposals	As at 31 March 2013	As at 31 March 2013
A. Property, plant and equipment									
Freehold land	3.82	-	-	3.82	-	-	-	-	3.82
Leasehold land (refer note 3 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 4 below)	975.29	722.89	-	1,698.18	62.97	18.80	-	81.77	1,616.41
Medical and surgical equipments	1,520.31	672.39	0.11	2,192.59	387.74	139.59	0.03	527.30	1,665.29
Plant and equipments	19.28	37.62	0.85	56.05	11.66	1.84	0.65	12.85	43.20
Office equipments	31.40	-	-	31.40	2.82	0.40	-	3.22	28.18
Electrical equipments	94.48	254.40	-	348.88	49.20	23.40	-	72.60	276.28
Computers	36.63	22.69	-	59.32	23.57	6.75	-	30.32	29.00
Furniture and fixtures	77.02	84.78	-	161.80	39.50	7.08	-	46.58	115.22
Vehicles	23.01	2.68	2.04	23.65	10.24	2.23	0.99	11.48	12.17
Wind mill power plant	179.26	-	-	179.26	28.44	9.47	-	37.91	141.35
Total	**3,112.32**	**1,797.45**	**3.00**	**4,906.77**	**616.14**	**209.56**	**1.67**	**824.03**	**4,082.74**
B. Intangible assets									
Software	0.36	0.35	-	0.71	0.01	0.09	-	0.10	0.61
Total	**0.36**	**0.35**	**-**	**0.71**	**0.01**	**0.09**	**-**	**0.10**	**0.61**

C. Capital work-in-progress

Particulars	As at 1 April 2012	Additions	Capitalised during the year	As at 31 March 2013
Capital work-in-progress (refer note 1 below)	1,243.52	1,214.17	1,719.37	738.32
Total	**1,243.52**	**1,214.17**	**1,719.37**	**738.32**

Notes :

1. Capital work-in-progress includes interest costs of INR 76.19 millions. Interest costs of INR 164.39 millions included in Capital work-in-progress has been capitalised as part of Property, plant and equipment.
2. During the financial year 2012-2013, foreign exchange fluctuation loss amounting to INR 36.23 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R 914(E) dated 29 December 2011.
3. Leasehold land is in the nature of perpetual lease and is not amortised .
4. Buildings taken over pursuant to the Scheme of arrangment amounting to Gross block INR 124.40 millions and Net block INR 108.49 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
5. Refer Annexure XXX -Note 10 for incidental expenditure during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XVI
Notes to Restated Standalone Financial Information

Non-current investments

INR in Millions except share data and unless otherwise stated

Particulars	Face value per share	As at 30 September 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(Unquoted, trade investment)													
Investment in equity instruments, valued at cost													
Investment in joint venture													
KIMS Wardak Diagnostic Centre Private Limited, Kabul	US$10	-	-	-	-	-	-	-	-	4,500	2.03	4,500	2.03
Investment in subsidiaries													
Arunodaya Hospitals Private Limited	INR 10	1,172,281	63.34	1,172,281	63.34	1,172,281	63.34	1,132,097	59.77	1,091,555	56.77	-	-
KIMS Hospitals Private Limited	INR 10	10,000	0.10	10,000	0.10	9,980	0.10	9,980	0.10	-	-	-	-
KIMS Swastha Private Limited	INR 10	10,000	0.10	10,000	0.10	9,998	0.10	-	-	-	-	-	-
KIMS Cuddles Private Limited	INR 10	10,000	0.10	10,000	0.10	-	-	-	-	-	-	-	-
KIMS Hospital Enterprises Private Limited	INR 10	-	-	-	-	-	-	-	-	-	-	7,400	0.07
KIMS Sahariah Healthcare Private Limited	INR 10	9,990	0.10	9,990	0.10	-	-	-	-	-	-	-	-
KIMS Hospitals (Bhubaneswar) Private Limited	INR 10	9,999	0.10	9,999	0.10	-	-	-	-	-	-	-	-
Investment in associates - valued at cost													
Arunodaya Hospitals Private Limited	INR 10	-	-	-	-	-	-	-	-	-	-	527,027	15.00
KIMS Hospital Enterprises Private Limited	INR 10	10,737,530	155.88	10,737,530	155.88	9,799,600	118.37	8,549,600	93.37	-	-	-	-
(Unquoted, other than trade investment)													
Investment in others													
KIMS Hospital Enterprises Private Limited	INR 10	-	-	-	-	-	-	-	-	7,400	0.07	-	-
Total			**219.72**		**219.72**		**181.91**		**153.24**		**58.87**		**17.10**

Aggregate amount of unquoted investments	219.72	219.72	181.91	153.24	58.87	17.10
Aggregate provision for diminution in value of investments	-	-	-	-	-	-

Krishna Institute of Medical Sciences Limited

Annexure - XVII
Notes to Restated Standalone Financial Information

1 Long-term loans and advances

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good)						
Capital advances	24.16	93.78	60.38	69.36	44.13	30.87
Advance for purchase of shares	-	-	-	-	-	2.00
Statutory dues paid under protest (refer Annexure- XXVII)	39.49	39.49	38.44	31.67	21.89	22.41
Prepaid expenses	2.16	-	-	42.19	30.82	34.67
Advance tax (net of provision for tax)	196.99	-	-	-	-	-
MAT credit entitlement	-	34.42	69.41	86.86	60.37	49.27
Security deposits	18.34	18.44	18.70	18.70	22.45	18.28
Total	**281.14**	**186.13**	**186.93**	**248.78**	**179.66**	**157.50**

2 Short-term loans and advances

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good)						
Loans to related parties (refer Annexure XXVIII (A) & (B))	145.69	67.56	25.42	16.81	25.30	23.99
Advance to suppliers	4.27	12.98	14.40	15.05	17.97	14.29
Prepaid expenses	8.85	7.33	8.84	15.42	11.50	6.36
Security deposits	7.81	4.86	5.31	2.86	6.52	4.13
Staff advances	5.32	6.40	20.64	13.03	13.26	2.56
MAT credit entitlement	14.44	-	-	-	-	-
Advance tax (net of provision for tax)	-	145.75	146.62	230.77	131.90	45.96
Other receivables	2.79	1.06	-	1.24	-	-
Other advances (refer Annexure XXVIII B- Note 1)	21.19	53.60	0.29	0.74	0.06	0.52
Total	**210.36**	**299.54**	**221.52**	**295.92**	**206.51**	**97.81**

Krishna Institute of Medical Sciences Limited

Annexure - XVIII
Notes to Restated Standalone Financial Information

1 Other non-current assets

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good unless otherwise stated)						
Bank deposits due to mature after 12 months of reporting date* (refer Annexure XX)	8.71	9.36	4.63	6.00	5.60	19.48
Interest accrued but not due on bank deposits	2.19	2.00	3.07	3.14	2.27	4.33
Total	**10.90**	**11.36**	**7.70**	**9.14**	**7.87**	**23.81**

* Represents margin money towards issue of bank guarantees and letters of credit.

2 Other current assets

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good unless otherwise stated)						
Unbilled revenue	49.34	66.62	60.48	57.73	50.59	36.79
Interest accrued but not due on loans (refer Annexure XXVIII B)	4.55	4.23	-	-	-	-
Interest accrued but not due on bank deposits	0.52	0.38	3.89	0.22	11.62	2.44
Total	**54.41**	**71.23**	**64.37**	**57.95**	**62.21**	**39.23**

3 Inventories

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Valued at lower of cost or net realisable value)						
Medical consumables and pharmacy items	201.34	153.02	112.68	98.46	98.70	82.09
Total	**201.34**	**153.02**	**112.68**	**98.46**	**98.70**	**82.09**

Krishna Institute of Medical Sciences Limited

Annexure - XIX
Notes to Restated Standalone Financial Information

Trade receivables

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
(Unsecured)						
Receivables outstanding for a period exceeding six months from the date they became due for payment						
(a) Considered good	82.89	163.81	91.80	70.72	48.87	43.56
(b) Considered doubtful	66.87	52.70	27.03	18.46	13.47	8.81
Less: Provision for bad and doubtful receivables	(66.87)	(52.70)	(27.03)	(18.46)	(13.47)	(8.81)
Other receivables						
(a) Considered good	912.79	699.61	525.07	280.72	246.81	244.35
(a) Considered doubtful	-	-	5.81	-	-	-
Less: Provision for bad and doubtful receivables	-	-	(5.81)	-	-	-
Total	**995.68**	**863.42**	**616.87**	**351.44**	**295.68**	**287.91**

Krishna Institute of Medical Sciences Limited

Annexure - XX
Notes to Restated Standalone Financial Information

Cash and bank balances

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Cash and cash equivalents						
Cash on hand	23.20	7.87	13.69	10.66	8.06	8.00
Cheques on hand	-	-	-	0.01	-	-
Balances with banks						
- In current accounts	85.07	72.17	17.53	109.66	82.78	58.22
- In deposit accounts with original maturity of 3 months or less	-	-	-	8.13	-	-
	108.27	**80.04**	**31.22**	**128.46**	**90.84**	**66.22**
Other bank balances*	1.44	0.80	36.20	1.70	161.97	47.82
	1.44	**0.80**	**36.20**	**1.70**	**161.97**	**47.82**
Total	**109.71**	**80.84**	**67.42**	**130.16**	**252.81**	**114.04**
Details of bank balances						
Bank balances available on demand/ deposits with original maturity of 3 months or less included under ‘Cash and cash equivalents’	85.07	72.17	17.53	117.79	82.78	58.22
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1.44	0.80	36.20	1.70	161.97	47.82
Bank deposits due to mature after 12 months of the reporting date (refer Annexure XVIII.I)	8.71	9.36	4.63	6.00	5.60	19.48
	95.22	**82.33**	**58.36**	**125.49**	**250.35**	**125.52**

* Represents margin money towards issue of bank guarantees and letters of credit.

Krishna Institute of Medical Sciences Limited

Annexure - XXI
Notes to Restated Standalone Financial Information

Revenue from operations

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of services						
Income from hospital services	2,003.44	3,334.88	3,187.80	2,589.97	1,985.78	1,916.45
Sale of products						
Income from pharmacy	1,026.90	1,909.79	1,556.72	1,263.33	1,420.23	931.57
Other operating income						
Food and beverages	42.75	67.09	57.25	52.32	51.17	35.41
Academic courses	21.06	45.30	44.96	31.82	25.60	19.96
Sale of electricity	-	-	-	-	8.24	23.84
Others	1.44	0.28	2.62	2.13	3.52	8.61
Total	**3,095.59**	**5,357.34**	**4,849.35**	**3,939.57**	**3,494.54**	**2,935.84**

Krishna Institute of Medical Sciences Limited

Annexure - XXII
Notes to Restated Standalone Financial Information

Other income

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	Nature (Recurring/ Non Recurring)	Related/ Not related to business activity
Other income, as restated	14.53	28.24	43.61	40.61	45.17	27.46		
Net profit before tax, as restated	261.46	512.71	384.44	121.41	141.71	278.05		
Other income as a % of net profit before tax	5.56%	5.51%	11.34%	33.45%	31.87%	9.88%		
Sources of other income								
Interest income								
-on fixed deposits	1.20	2.92	4.63	9.78	14.83	7.83	Recurring	Not related
-on income-tax refunds	-	2.96	9.69	4.69	1.56	0.12	Non-recurring	Not related
-on loans	4.55	4.23	-	-	-	-	Recurring	Not related
Dividend income from joint venture (refer Annexure XXX - Note 15(b))	-	-	-	0.26	2.30	2.95	Non-recurring	Not related
Liabilities no longer required written back	-	-	-	-	5.94	0.35	Non-recurring	Related
Rental income from sub-lease	1.28	1.17	2.25	1.37	1.88	2.01	Recurring	Not related
Profit on sale of property, plant and equipment	-	0.60	0.74	-	-	-	Non-recurring	Not related
Miscellaneous income	7.50	16.36	26.30	24.51	18.66	14.20	Recurring	Not related
Total	**14.53**	**28.24**	**43.61**	**40.61**	**45.17**	**27.46**		

Notes:

1.The classification of income as recurring/non-recurring and related/non-related to business activity is based on the current operations and business activity of the Company as determined by the Management.

Krishna Institute of Medical Sciences Limited

Annexure - XXIII
Notes to Restated Standalone Financial Information

1 Medical consumables and pharmacy items consumed

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening stock	153.02	112.68	98.46	98.70	82.09	72.85
Add: Purchases during the period/year	789.67	1,341.13	1,202.15	1,038.82	1,006.62	875.68
Less: Closing stock	201.34	153.02	112.68	98.46	98.70	82.09
Total [refer Annexure XXX-Note 3]	**741.35**	**1,300.79**	**1,187.93**	**1,039.06**	**990.01**	**866.44**

2 Operating expenses

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Consultancy charges	653.79	1,119.79	980.16	805.77	682.88	563.74
House keeping expenses	104.59	169.34	174.48	151.43	111.66	84.55
Power and fuel	83.28	134.02	129.16	113.44	118.86	89.24
Catering and patient welfare expenses	44.45	85.12	85.57	75.60	72.08	60.74
Rent (refer Annexure XXX-Note 9)	36.18	53.54	48.99	32.20	34.05	32.43
Tests and investigations	13.52	10.61	8.12	8.77	7.82	5.85
Windmill expenses	-	-	-	-	1.77	2.57
Academic courses expenses	0.90	0.69	0.92	0.67	1.28	1.32
Repairs and maintenance						
- Medical equipments	53.01	115.68	97.28	94.28	68.39	63.61
- Hospital buildings and others	49.13	76.58	66.30	56.65	28.60	15.51
Total	**1,038.85**	**1,765.37**	**1,590.98**	**1,338.81**	**1,127.39**	**919.56**

Krishna Institute of Medical Sciences Limited

Annexure - XXIV
Notes to Restated Standalone Financial Information

Employee benefits expense

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	530.08	840.32	683.80	599.97	503.66	404.79
Contribution to provident and other funds [refer Annexure XXX-Note 12]	46.43	63.65	68.55	51.03	36.91	25.38
Staff welfare expenses	6.02	7.52	6.91	6.20	5.89	3.57
Total	**582.53**	**911.49**	**759.26**	**657.20**	**546.46**	**433.74**

Notes:
1. The above amount is net of amount capitalised (refer Annexure XXX-Note 10).

Krishna Institute of Medical Sciences Limited

Annexure - XXV
Notes to Restated Standalone Financial Information

Finance costs

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest on term loans	139.30	285.14	308.16	277.28	264.93	122.85
Interest on other loans	6.17	9.12	20.57	43.41	23.34	19.68
Other borrowing costs	2.14	8.21	21.56	8.12	4.21	2.72
Total	**147.61**	**302.47**	**350.29**	**328.81**	**292.48**	**145.25**

Notes:
1.The above amount is net of amount capitalised (refer Annexure XXX-Note 10).

Krishna Institute of Medical Sciences Limited

Annexure - XXVI
Notes to Restated Standalone Financial Information

Other expenses

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Printing and stationery	15.15	22.42	22.04	19.55	18.55	17.46
Legal and professional (refer Annexure XXX-Note 11)	9.74	13.15	24.58	14.57	7.02	7.51
Rates and taxes	36.07	37.75	41.07	32.61	33.60	20.20
Trade receivables written off	-	-	1.74	6.58	20.30	0.48
Travelling and conveyance	12.30	22.60	16.96	14.97	13.13	8.26
Advertisement and publicity	28.11	50.20	59.07	20.55	13.44	8.70
Medical camps and marketing	2.72	5.49	5.24	4.60	8.75	3.91
Repairs and maintenance - others	0.90	0.11	0.02	0.19	5.13	4.89
Communication	4.07	7.69	6.22	5.57	6.18	4.65
Provision for doubtful receivables	14.18	19.86	14.38	4.99	4.67	3.46
Insurance	1.71	4.06	3.39	3.54	3.37	2.10
Subscriptions and membership fees	2.51	5.38	4.12	2.66	3.72	2.01
Loss on sale of property, plant and equipment	-	-	-	14.37	21.08	0.37
Loss on sale of investment (refer Annexure XXX- Note 15 (c))	-	-	-	0.79	-	-
Donations	0.25	10.41	30.00	-	-	-
Bank charges	10.76	17.86	12.11	11.67	14.69	5.53
Corporate Social Responsibility (CSR) (refer Annexure XXX-Note 6)	0.26	4.92	4.10	4.80	-	-
Miscellaneous expenses	10.56	33.15	32.72	23.30	20.81	21.08
Total	**149.29**	**255.05**	**277.76**	**185.31**	**194.44**	**110.61**

Notes:
1.The above amount is net of amount capitalised (refer Annexure XXX-Note 10).

Krishna Institute of Medical Sciences Limited

Annexure - XXVII
Notes to Restated Standalone Financial Information

Commitments and contingent liabilities

INR in Millions

	Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
i)	**Commitments**						
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	174.53	160.40	16.77	15.66	24.56	91.98
	b) towards purchase of consumables	177.36	213.18	222.71	188.12	78.22	8.20
ii)	**Contingent liabilities**						
	a) Guarantees given for procurement of medical equipment to a related entity (refer Annexure XXX-Note 13c and XXVIII.B)	310.00	310.00	110.00	60.00	60.00	-
	Value of loan availed outstanding as at period/ year end against aforesaid guarantee	271.93	268.38	97.12	56.92	59.95	-
	b) towards investment in joint venture in Burundi	-	-	-	-	8.26	-
	c) Other claims	23.76	23.76	23.76	-	-	-

Pending litigations

INR in Millions

	Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(a)	Luxury tax matters in dispute, pending appeals filed by the Company	82.27	82.27	82.27	69.66	55.55	42.02
	[Paid under protest and disclosed under loans and advances]	(28.44)	(28.44)	(28.44)	(21.67)	(21.67)	(22.41)
(b)	Medical claims (gross, excluding interest/ costs)	62.13	68.15	52.47	48.24	32.04	32.04
(c)	Service tax matters in dispute, pending appeals filed by the Company	59.60	59.60	31.60	31.60	-	-
	[Paid under protest and disclosed under loans and advances]	(9.95)	(9.95)	(8.90)	(8.90)	-	-
(d)	VAT matters in dispute, pending appeals filed by the Company	1.76	1.76	1.76	1.76	1.76	-
	[Paid under protest and disclosed under loans and advances]	(1.10)	(1.10)	(1.10)	(1.10)	(0.22)	-
(e)	The Company has obtained a stay from the High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision in respect thereof has been made in the Restated Standalone financial information.						

Annexure - XXVIII
Notes to Restated Standalone Financial Information

Related parties

Name of the related party	Nature of the Relationship					
	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Arunodaya Hospitals Private Limited (refer note 2 below)	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Associate
KIMS Hospitals Private Limited (refer note 3 below)	Subsidiary	Subsidiary	Subsidiary	Subsidiary	-	-
KIMS Swastha Private Limited (refer note 4 below)	Subsidiary	Subsidiary	Subsidiary	-	-	-
KIMS Cuddles Private Limited (refer note 5 below)	Subsidiary	Subsidiary	-	-	-	-
KIMS Sahariah Healthcare Private Limited (refer note 6 below)	Subsidiary	Subsidiary	-	-	-	-
KIMS Hospital (Bhubaneswar) Private Limited (Refer note 7)	Subsidiary	Subsidiary	-	-	-	-
KIMS Hospital Enterprises Private Limited (refer note 8 below)	Associate	Associate	Associate	Associate	-	Subsidiary
B. Krishnaiah -Chairman	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)
Dr. B. Bhaskar Rao -Managing Director and Chief Executive Officer (CEO)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)
D. Anitha -Director - Whole time Director	Key management Personnel (KMP)	Key management Personnel (KMP)	-	-	-	-
Dr M. Sambasiva Rao- Director	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
Dr K.V.Krishna kumar-Director	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
Dr Padama S Veerapaneni-Director	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
B.K.Rao- Director	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
Dr P Rajendra Kumar Jain-Director	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
Dr Sahariah S (Director till 12 March 2014)	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
K Thanu Pillai-Director	-	-	-	-	-	Key management Personnel (KMP)
Mr Satya Srinivasa Baratam	-	-	-	-	-	Key management Personnel(KMP)
Dr. Amit Varma	-	-	-	-	Key management Personnel (KMP)	Key management Personnel (KMP)
Satya Srinivas Baratam	-	-	-	-	-	Key management Personnel (KMP)
K. Govindarajan (CFO) (refer note 9)	-	Key management Personnel (KMP)	Key management Personnel (KMP)	-	-	-
Uma Shankar Mantha (Company secretary) (refer note 10)	Key management Personnel (KMP)	Key management Personnel (KMP)	Key management Personnel (KMP)	-	-	-
Vikas Maheshwari (CFO) (refer note 11)	Key management Personnel (KMP)	Key management Personnel (KMP)	-	-	-	-
Sri Viswa Medicare Limited (Formerly known as Reliance Medicare Limited)	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Ramanaiah Memorial Hospitals Private Limited	-	-	-	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Krishnaiah Chartitable Trust	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	-	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Developers Limited	-	-	-	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
BSCPL Infrastrcture Limited	-	-	-	Enterprises where KMP have control or significant influence	-	-
KIMS Foundation and Research Centre	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Casting and Steel limited	-	-	-	-	-	Enterprises where KMP have control or significant influence
KIMS Wardak Diagnostics Centre Private Limited (Till 21 January 2015)	-	-	-	Joint venture-Enterprise over which the company exercises Joint control with other Joint venture partner and hold 25% equity stake	Joint venture-Enterprise over which the company exercises Joint control with other Joint venture partner and hold 25% equity stake	Joint venture-Enterprise over which the company exercises Joint control with other Joint venture partner and hold 25% equity stake
Dr. B. Abhinay -Son of Managing Director and CEO	Relative of KMP	Relative of KMP	Relative of KMP	Relative of KMP	-	-
Dr. Raavi Swetha	Relative of KMP	Relative of KMP	-	-	-	-
B Nagabhusan -Son of Director	-	Relative of KMP	Relative of KMP	Relative of KMP	-	-
Mrs. Rajyasree -Wife of Managing Director and CEO	-	-	-	Relative of KMP	Relative of KMP	Relative of KMP
India Advantage Fund S31	Enterprises having Significant influence over the company	Enterprises having Significant influence over the company	Enterprises having Significant influence over the company	Enterprises having Significant influence over the company	-	-
Manpower resource Bank	-	-	-	-	-	A proprietorship firm in which a director was the proprietor till 31 January 2013
IL & FS Trust Company Limited A/C Milestone Private Equity Fund	-	-	-	-	Enterprise having Significant influence over the company	Enterprise having Significant influence over the company

Notes :

1. As per the requirements of the Companies Act 2013, Chief Financial Officer (CFO) and Company Secretary need to be considered as KMP effective from 1st April 2014 and hence, previous years comparatives have not been presented.
2. Associate till 27 March 2014 and subsidiary from 28 March 2014
3. Subsidiary from 10 December 2014
4. Subsidiary from 06 October 2015
5. Subsidiary from 29 June 2016
6. Subsidiary from 24 August 2016
7. Subsidiary from 20 March 2017
8. Subsidiary till 13 August 2013 and associate from 15 July 2014
9. wef 23 December 2015 and upto 30 April 2017
10. wef 23 December 2015
11. wef 01 May 2017

Annexure - XXVIII A
Notes to Restated Standalone Financial Information

Related parties transactions

INR in Millions

Particulars	Entity	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Professional service rendered to	Sri Viswa Medicare Limited (formerly known as Reliance Medicare Limited)	-	0.01	0.02	1.05	1.60	2.35
Professional service rendered to	BSCPL Infrastructure Limited	-	-	-	0.06	-	-
Share of income from joint venture	KIMS Wardak Diagnostics Centre Private Limited	-	-	-	0.26	2.30	2.95
Loans given	KIMS Hospitals Private Limited	85.83	55.00	9.60	-	-	-
Loans given	KIMS Cuddles Private Limited	-	3.28	-	-	-	-
Loans given	KIMS Swastha Private Limited	0.25	8.00	-	-	-	-
Loans given	Arunodaya Hospitals Private Limited	-	1.50	-	-	-	-
Loans given	KIMS Hospital Enterprises Private Limited	6.00	4.95	-	-	-	-
Loans given	KIMS Foundation and Research Centre	-	0.11	-	-	1.38	7.40
Professional fee including managerial remuneration to KMP	Dr. B. Bhaskar Rao	9.70	24.20	18.45	17.30	12.40	7.90
Professional fee including managerial remuneration to KMP	M. Sambasiva Rao	-	-	-	-	2.40	2.40
Professional fee including managerial remuneration to KMP	Dr. K.V. Krishna kumar	-	-	-	-	5.20	3.99
Professional fee including managerial remuneration to KMP	Dr. P Rajendra Kumar Jain	-	-	-	-	8.82	11.24
Professional fee including managerial remuneration to KMP	Dr. Sahariah S	-	-	-	-	6.37	4.43
Professional fee including managerial remuneration to KMP	Dr. Padama S Veerapaneni	-	-	-	-	1.03	1.53
Professional fee to relative of KMP	Dr. Raavi Swetha	0.36	0.96	-	-	-	-
Rent to KMP and their relative	Dr. B. Bhaskar Rao	0.05	0.10	0.10	0.10	0.10	0.10
Rent to KMP and their relative	Dr. M. Sambasiva Rao	-	-	-	-	0.03	0.20
Rent to KMP and their relative	Mrs. Rajyasree	-	-	-	-	-	0.10
Interest on loan taken	KIMS Hospital Enterprises Private Limited	-	-	-	0.18	11.79	0.07
Interest on loan taken	Dr. B. Bhaskar Rao	-	-	-	2.84	3.46	-
Interest on loan taken	Arunodaya Hospitals private limited	-	-	-	0.29	-	-
Security deposit for the appointment of Independent Directors	Dr. B. Bhaskar Rao	-	0.20	-	-	-	-
Refund of security deposit	Dr. B. Bhaskar Rao	-	0.20	-	-	-	-
Fees for providing manpower services	Manpower Services Bank	-	-	-	-	-	62.42
Sale of Property,plant and equipment	KIMS Hospital Enterprises Private Limited	-	-	-	15.33	-	-
Salary to relative of KMP	Dr. B. Abhinay	1.05	2.10	1.50	0.90	-	-
Loans repaid by	Bollineni Developers Limited	-	-	-	7.50	-	22.50
Loans repaid by	KIMS Foundation and Research Centre	3.00	2.10	0.99	0.26	-	-
Loans repaid by	KIMS Hospitals Private Limited	-	25.00	-	-	-	-
Loans repaid by	Arunodaya Hospitals Private Limited	-	1.50	-	-	-	-
Loans repaid by	Bollineni Casting and Steel Limited	-	-	-	-	-	10.60
Loans repaid by	KIMS Cuddles Private Limited	-	0.10	-	-	-	-
Loans repaid by	KIMS Swastha Private Limited	-	2.00	-	-	-	-
Loans repaid by	KIMS Hospital Enterprises Private Limited	10.95	-	-	-	-	-
Loans repaid by	Bollineni Krishnaiah Charitable trust	-	-	-	0.73	0.07	-
Loans received	Dr. B. Bhaskar Rao	-	-	20.00	57.56	91.00	30.05
Loans received	KIMS Hospital Enterprises Private Limited	-	-	-	21.27	141.55	11.80
Loans received	Arunodaya Hospitals Private Limited	-	-	-	36.29	-	-
Advances received from	Bollineni Ramanaiah Memorial Hospitals Private	-	-	-	-	-	6.45
Loans repaid	Dr. B. Bhaskar Rao	2.74	-	26.90	95.21	69.95	13.55
Loans repaid	Dr. M Sambasiva Rao	-	-	-	2.50	-	-
Loans repaid	KIMS Hospital Enterprises Private Limited	-	-	-	32.40	138.90	1.83
Loans repaid	Arunodaya Hospitals Private Limited	-	-	-	36.29	-	-
Loans repaid	Mrs. Rajyasree	-	-	-	-	1.88	-
Loans repaid	Bollineni Ramanaiah Memorial Hospitals Private Limited	-	-	6.11	0.34	-	-
Expenditure towards CSR	KIMS Foundation and Research Centre	0.06	3.42	4.10	4.30	-	-
Professional services rendered by	B Nagabhushan	-	0.35	0.85	0.27	-	-
Sale of pharmacy items to	KIMS Hospital Enterprises Private Limited	3.66	7.90	9.11	-	-	-
Purchases of pharmacy items from	KIMS Hospital Enterprises Private Limited	1.07	0.55	-	-	-	-
Reimbursement of claims	KIMS Hospital Enterprises Private Limited	0.49	19.08	6.09	-	-	-
Reimbursement of expenses made	Bollineni Krishnaiah Charitable trust	0.23	1.98	0.80	-	-	-
Investment in Associates	KIMS Hospital Enterprises Private Limited	-	37.51	25.00	93.30	-	0.07
Investment in Subsidiary	KIMS Hospitals Private Limited	-	-	-	0.10	-	-
Investment in Subsidiary	KIMS Swastha Private Limited	-	-	0.10	-	-	-
Investment in Subsidiary	KIMS Cuddles Private Limited	-	0.10	-	-	-	-
Investment in Subsidiary	KIMS Sahariah Healthcare Private Limited	-	0.10	-	-	-	-
Investment in Subsidiary	KIMS Hospital (Bhubaneswar)Private Limited	-	0.10	-	-	-	-
Investment in Subsidiary	Arunodaya Hospitals Private Limited	-	-	3.57	3.00	41.77	-
Key Managerial Remuneration	K. Govindarajan	-	3.91	3.51	-	-	-
Key Managerial Remuneration	Uma Shankar Mantha	0.73	1.46	0.99	-	-	-
Key Managerial Remuneration	D. Anitha	1.50	3.00	-	-	-	-
Key Managerial Remuneration	Dr. B. Bhaskar Rao	12.00	9.00	-	-	-	-
Key Managerial Remuneration	Vikas Maheshwari	2.49	-	-	-	-	-
Guarantee given on behalf of	KIMS Hospital Enterprises Private Limited	-	200.00	50.00	-	60.00	-
Guarantee received from	KIMS Hospital Enterprises Private Limited		-	-	53.26	-	-
Guarantee closed	KIMS Hospital Enterprises Private Limited	23.00	-	-	-	-	-
Interest income on advances given	KIMS Swastha Private Limited	0.24	0.25	-	-	-	-
Interest income on advances given	KIMS Cuddles Private Limited	0.13	0.10	-	-	-	-
Interest income on advances given	KIMS Hospitals Private Limited	3.91	3.17	-	-	-	-
Interest income on advances given	KIMS Hospital Enterprises Private Limited	0.27	0.71	-	-	-	-
Interest income on advances received	KIMS Swastha Private Limited	0.25	-	-	-	-	-
Interest income on advances received	KIMS Cuddles Private Limited	0.10	-	-	-	-	-
Interest income on advances received	KIMS Hospitals Private Limited	3.17	-	-	-	-	-
Interest income on advances received	KIMS Hospital Enterprises Private Limited	0.71	-	-	-	-	-
Payment towards purchase of shares	KIMS Sahariah Healthcare Private Limited	0.10	-	-	-	-	-
Payment towards purchase of shares	KIMS Hospital (Bhubaneswar)Private Limited	0.10	-	-	-	-	-

Notes:

1. Remuneration does not include gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.
2. Other advances include expenses of INR 20.99 millions incurred by the Company towards Initial Public Offering (IPO) of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to share that will be offered to public in offering.
3. Refer Annexure VIII B and XI B for details of guarantees given by related parties for loans availed by the Company.

Krishna Institute of Medical Sciences Limited

Annexure - XXVIII B
Notes to Restated Standalone Financial Information

Related parties balances

INR in Millions

Particulars	Entity	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade receivables	Sri Viswa Medicare Limited (Formely known as Reliance Medicare Limited)	2.21	2.21	2.21	3.19	4.65	3.76
Trade receivables	BSCPL Infrastrcture Limited	-	-	-	0.06	-	-
Loans	KIMS Foundation And Research centre	10.83	13.83	15.82	16.81	17.07	15.69
Loans	KIMS Hospitals Private Limited	125.43	39.60	9.60	-	-	-
Loans	KIMS Hospital Enterprises Private Limited	-	4.95	-	-	-	-
Loans	KIMS Cuddles Private Limited	3.18	3.18	-	-	-	-
Loans	KIMS Swastha Private Limited	6.25	6.00	-	-	-	-
Loans	Bollineni Developers Limited	-	-	-	-	7.50	7.50
Loans	Bollineni Krishnaiah Charitable trust	-	-	-	-	0.73	0.80
Loans	Bollineni Casting and Steel Limited	-	-	-	-	-	-
Short-term borrowings	Dr B Bhaskar Rao	-	2.74	2.74	9.64	47.29	26.24
Short-term borrowings	KIMS Hospital Enterprises Private Limited	-	-	-	-	12.62	9.97
Short-term borrowings	Mrs. Rajyasree	-	-	-	-	-	1.88
Short-term borrowings	M Sambasiva Rao	-	-	-	-	2.50	2.50
Interest accrued but not due on borrowings	Dr B Bhaskar Rao	-	-	-	2.55	3.11	-
Interest accrued but not due on borrowings	KIMS Hospital Enterprises Private Limited	-	-	-	0.16	10.61	-
Interest accrued but not due on borrowings	Arunodaya Hospitals Private Limited	-	-	-	0.26	-	-
Professional fee payable	Dr B Bhaskar Rao	1.40	1.35	-	-	-	-
Reimbursement of expenses payable	Bollineni Krishnaiah Charitable trust	0.18	0.14	-	-	-	-
Trade payable	Dr B Bhaskar Rao	0.55	0.50	0.40	0.30	0.20	0.10
Trade payable	Mrs. Rajyasree	-	-	-	0.30	0.20	0.10
Trade payable	KIMS Hospital Enterprises Private Limited	-	-	-	-	-	0.07
Trade payable	Dr M Sambasiva Rao	-	-	-	-	0.18	0.20
Trade payable	Dr K V Krishna Kumar	-	-	-	-	0.40	0.82
Trade payable	Dr P Rajendra Kumar Jain	-	-	-	-	2.67	3.97
Trade payable	Dr S Saharaiah	-	-	-	-	2.21	0.48
Trade payable	Dr. Raavi Swetha	-	0.11	-	-	-	-
Payable for purchase of shares	KIMS Sahariah Healthcare Private Limited	-	0.10	-	-	-	-
Payable for purchase of shares	KIMS Hospital(Bhubaneswar)Private Limited	-	0.10	-	-	-	-
Employee benefit payable	B Abhinay	0.12	0.02	0.16	0.07	-	-
Employee benefit payable	K Govindarajan	-	0.20	0.20	-	-	-
Employee benefit payable	Uma Shankar Mantha	0.11	0.08	0.06	-	-	-
Employee benefit payable	D Anitha	0.20	0.23	-	-	-	-
Employee benefit payable	Vikas Maheshwari	0.34	-	-	-	-	-
Other liabilities	Bollineni Ramanaiah and Memorial Hospitals Privat	-	-	-	6.11	6.45	6.45
Interest accrued but not due on advances	KIMS Swastha Private Limited	0.24	0.25	-	-	-	-
Interest accrued but not due on advances	KIMS Cuddles Private Limited	0.13	0.10	-	-	-	-
Interest accrued but not due on advances	KIMS Hospitals Private Limited	3.91	3.17	-	-	-	-
Interest accrued but not due on advances	KIMS Hospital Enterprises Private Limited	0.27	0.71	-	-	-	-
Reimbursement of claims payable	KIMS Hospital Enterprises Private Limited	-	-	7.58	1.49	-	-
Guarantee given on behalf of	KIMS Hospital Enterprises Private Limited	310.00	310.00	110.00	60.00	60.00	-
Guarantee received from	KIMS Hospital Enterprises Private Limited	30.26	53.26	53.26	53.26	-	-

Notes:

1. Other advances include expenses of INR 20.99 millions incurred by the Company towards Initial Public Offering (IPO) of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to share that will be offered to public in offering.
2. Refer Annexure VIII B and XI B for details of guarantees given by related parties for loans availed by the Company.

Krishna Institute of Medical Sciences Limited

Annexure - XXIX
Notes to Restated Standalone Financial Information

Segment reporting

The Company's business is organised and management views the performance based on the business segments as mentioned below:

Hospital services: This segment of the Company is engaged in providing hospital services and generates revenue from hospital services, sale of pharmacy items and academic courses offered.

Electricity sales: This division of the Company is engaged in the generation and sale of electricity from wind power.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in one geographical segment.

Segment policies

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment. The depreciation expenses of such assets have also been allocated to the segments on the same basis. Certain expenses are not specifically allocable to individual segments and pertain to the entity as a whole and are disclosed as unallocated expenses.

Assets and liabilities are either specifically identifiable with individual segments or have been allocated to segment on a systematic basis. Assets that pertain to the entity as a whole such as investments in subsidiaries, joint venture and associate, balances with bank in current accounts, MAT Credit Entitlement and Advance tax balances have been disclosed as unallocated assets. Liabilities other than income-tax balances and deferred tax liabilities have been identified against each segment or have been allocated on a reasonable basis.

INR in Millions

Particulars	**For the year ended 31 March 2014***			**For the year ended 31 March 2013**		
	Hospital services	**Electricity sales**	**Total**	**Hospital services**	**Electricity sales**	**Total**
Revenue:						
Segment revenue	3,486.30	8.24	3,494.54	2,912.00	23.84	2,935.84
Result :						
Segment result	151.58	(12.17)	139.41	274.34	0.76	275.10
Add: Un-allocable income	-	-	2.30	-	-	2.95
Less: Un-allocable expenditure	-	-	-	-	-	-
Profit before tax	-	-	**141.71**			**278.05**
Less: Current tax	-	-	(29.29)	-	-	(56.32)
Add: MAT credit entitlement	-	-	11.10	-	-	48.02
Less: Deferred tax	-	-	(81.58)	-	-	(87.04)
Profit after tax			**41.94**			**182.71**
Other information :						
Assets:						
Segment assets	6,175.42	-	6,175.42	5,352.10	168.53	5,520.63
Un-allocable corporate assets	-	-	-	-	-	120.53
Total assets			**6,175.42**			**5,641.16**
Liabilities:						
Segment liabilities	-	-	-	3,382.60	69.05	3,451.65
Un-allocable corporate liabilities	-	-	-	-	-	270.39
Total liabilities			-			**3,722.04**
Non-cash expenditure						
Depreciation and amortisation expense	244.06	3.16	247.22	200.18	9.47	209.65
Capital expenditure	590.13	-	590.13	1,292.60	-	1,292.60

* On 2 August 2013 the shareholders of the Company have approved the sale of wind mill division. Based on the same, the Company has sold the existing windmills at a loss of INR 12.01 Millions. Accordingly, as at 31 March 2014, the Company has only one segment namely hospital services and there are no unallocable assets and liabilities as on the said date.

Annexure - XXX
Notes to Restated Standalone Financial Information

Other notes

1. Earnings in foreign currency INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Income from hospital services	19.33	30.63	10.76	7.72	16.85	15.88
Income from academic courses	1.92	-	-	-	-	-
Other income	2.28	-	-	3.69	2.30	2.95
Total	**23.53**	**30.63**	**10.76**	**11.41**	**19.15**	**18.83**

2. Value of medical supplies consumption INR in Millions

Particulars	For the six months period ended 30 September 2017		For the year ended 31 March 2017		For the year ended 31 March 2016	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Imported	-	-	-	-	-	-
Indigenous	741.35	100%	1,300.79	100%	1,187.93	100%
Total	**741.35**	**100%**	**1,300.79**	**100%**	**1,187.93**	**100%**

Particulars	For the year ended 31 March 2015		For the year ended 31 March 2014		For the year ended 31 March 2013	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Imported	-	-	-	-	-	-
Indigenous	1,039.06	100%	990.01	100%	866.44	100%
Total	**1,039.06**	**100%**	**990.01**	**100%**	**866.44**	**100%**

3. Details of medical supplies consumption** INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Medical pharmacy	462.61	855.99	828.64	718.79	665.74	437.32
Other consumables	278.74	444.80	359.29	320.27	324.27	429.12
Total	**741.35**	**1,300.79**	**1,187.93**	**1,039.06**	**990.01**	**866.44**

**Medical consumables and pharmacy consumed consists of items of various nature and specifications and includes medical consumables, pharmaceuticals etc. Hence, it is not practicable to furnish the item wise details.

4. CIF value of imports INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Medical and surgical equipments	10.53	15.53	4.05	7.55	61.41	152.91
Total	**10.53**	**15.53**	**4.05**	**7.55**	**61.41**	**152.91**

5. Expenditure in foreign currency INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Travelling and conveyance	1.30	3.02	0.86	0.99	22.20	0.59
Total	**1.30**	**3.02**	**0.86**	**0.99**	**22.20**	**0.59**

6. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company in the financial year 2014-15. The areas for CSR activities are promoting health care including preventive health care, promoting education and enhancing vocation skills to enhance employment opportunities. Details of CSR expenditure incurred for the period/year are as follows:

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above:				
Promoting preventive healthcare*	0.06	4.92	4.10	4.30
Donation to old age home	-	-	-	0.50
Others	0.20	-	-	-
Total	**0.26**	**4.92**	**4.10**	**4.80**

*Amounts spent by way of contribution to KIMS Foundation and Research Centre, a registered trust where KMP have significant influence	0.06	3.42	4.10	4.30

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Standalone Financial Information

Other notes

7. Dues to Micro and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the reporting date has been made in the restated standalone financial information based on information received and available with the Company. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the period/year	-	-	0.02	0.05	0.02	0.09
the amount of interest paid by the Company, along with the amount of the payment made to the supplier beyond the appointed day during the period/year	-	-	-	-	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/year) but without adding the interest specified under the MSMED Act.	-	-	-	-	-	-
the amount of interest accrued and remaining unpaid at the end of the period/year; and	-	-	-	-	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-	-	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

8. Scheme of Arrangement between Bollineni Heart Centre Limited ('BHCL') and Bollineni Ramanaiah Memorial Hospital ('BRMH') with the Company and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956

i. On 21 April 2012, the Board of Directors approved a Scheme of Arrangement ('the Scheme') for amalgamation of Bollineni Heart Centre Limited ("transferor Company") with the Company ("transferee Company") and the transfer and vesting of the Demerged Business Undertaking of Bollineni Ramanaiah Memorial Hospitals Private Limited ("Demerged Company") with the Company ("transferee Company") under section 391 to 394 of the Companies Act, 1956. On 23 April 2012, the Company filed a petition for approval of the Scheme with the Honourable High Court of Andhra Pradesh ('the High Court'). The High Court approved the Scheme vide its order dated 27 December 2012 with the appointed date as 1 April 2011 and the certified true copy of the scheme was filed by the Company with the Registrar of Companies on 15 February 2013.

ii. With respect to the amalgamation with BHCL, the amalgamation has been accounted as per the Pooling of Interest Method as per Accounting Standard 14 "Accounting for Amalgamation". Accordingly, in preparing the financial statements, the assets, liabilities and reserves of transferor Company has been recorded at their existing carrying value at the date of amalgamation (1 April 2011). The balance of surplus in the statement of profit and loss of the transferor company has been added with the corresponding balances of the Company as at 1 April 2011.

iii. During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by Honourable High Court of Andhra Pradesh, the Company has alloted 306,069 Equity Shares of INR 10 each to the Share holders of the transferor Company against 4,455,000 equity shares of INR 10 each outstanding in the transferor Company in the ratio of 9 equity shares of INR 10 each for every 131 equity shares of INR 10 each of the Transferor Company. The difference of INR 41.49 millions on account of the above share swap has been added to the Adjustment Reserve of the Company as per the Scheme.

iv. During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by Honourable High Court of Andhra Pradesh, the Company has allotted 969,231 equity shares of INR 10 each to the Share holders of the Demerged Company against 2,100,000 equity shares of INR 10 each outstanding in the demerged Company in the ratio of 6 equity shares of INR 10 each for every 13 equity shares of INR 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to INR 16.15 millions has been added to the Adjustment Reserve of the Company as per the Scheme.

The adding of the difference to the Adjustment Reserve is not in accordance with the treatment prescribed by Accounting Standard (AS) 14 'Accounting for Amalgamations', however is in accordance with the Scheme of Arrangement approved by the Honourable High Court of Andhra Pradesh. Had the Company followed the treatment prescribed under the Standard, the Adjustment reserve for the year would have been lower by INR 16.15 millions and Capital reserves would have been created for the similar amount without having any impact on the net assets of the Company as at 01 April 2011.

v. As per the Scheme of Arrangement the appointed date is 01 April 2011. But the Court Order was dated on 27 December 2012. Accordingly, the Company has considered the net surplus for the financial year ended 31 March 2012 as per the audited financial statements of both the transferor company and demerged company amounting Rs. 37.66 millions and Rs. 24.98 millions respectively and included the same in the Surplus of the Statement of Profit and Loss. The respective financial statements of both the transferor company and demerged company were audited by erstwhile auditors of the said entities.

vi. Expenditure in relation to Scheme of Arrangement including stamp duty payable has been expensed in the Restated standalone summary statement of profit and loss for the year ended 31 March 2013 aggregating to INR 1.2 millions.

vii. The aforesaid accounting treatment was carried out in the audited financial statements for the year ended 31 March 2013.

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Standalone Financial Information

Other notes

9. Leases

The Company has taken medical equipments, hospitals, office and residential premises under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of business.

The total rental expenses under cancellable operating leases are as follows which is grouped under operating expenses in the Restated standalone summary statement of profit and loss. There are no non-cancellable leases taken by the Company.

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cancellable operating lease	36.18	53.54	48.99	32.20	34.05	32.43
	36.18	**53.54**	**48.99**	**32.20**	**34.05**	**32.43**

The Company earns income from certain premises which were given on sub-lease under cancellable and non-cancellable operating lease agreements. The total future minimum lease payments expected to be received under non-cancellable operating sub-lease are as follows:

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Future minimum sub-lease payments expected	-	-	-	0.28	0.66	1.03
Total	**-**	**-**	**-**	**0.28**	**0.66**	**1.03**

10. Incidental expenditure during construction period

The Company has capitalised the following expenses of revenue nature to the cost of Property, plant and equipment, as they are directly attributable expenses. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Finance costs						
Interest on term loans	-	-	-	18.36	51.54	132.91
Other interest and processing charges	-	-	27.26	1.15	3.59	1.43
Total (A)	**-**	**-**	**27.26**	**19.51**	**55.13**	**134.34**
Other expenses						
Rates and taxes	0.15	1.05	0.02	0.08	1.31	5.75
Travelling and other expenses	0.66	2.98	1.70	2.64	3.71	4.46
Power and fuel	0.11	1.91	0.25	12.62	10.66	9.46
Total (B)	**0.92**	**5.94**	**1.97**	**15.34**	**15.68**	**19.67**
Employee benefits expense (C)	**1.48**	**13.78**	**5.87**	**9.16**	**20.82**	**24.04**
Grand Total (A+B+C)	**2.40**	**19.72**	**35.10**	**44.01**	**91.63**	**178.05**

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Standalone Financial Information

Other notes

11. Auditor's remuneration

Legal and professional charges include auditors' remuneration, excluding applicable tax as given below:

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Statutory audit fee	-	2.80	2.80	2.60	2.00	2.00
Out of pocket expenses	-	0.12	0.13	0.11	0.05	0.04
Total	**-**	**2.92**	**2.93**	**2.71**	**2.05**	**2.04**

In the current period, the Company has paid INR 2.80 millions (previous year: INR 7 millions) excluding service tax in addition to the above towards service received for Initial Public Offering (IPO). However, the same have not been charged off to the statement of profit and loss and is disclosed in other loans and advances under Short-term loans and advances to be recovered from shareholders in proportion of shares being offered.

12. Employee benefits

a. The following table sets out the Defined Benefit Plan - Gratuity - as per actuarial valuation.

i) Movement in present values of the defined benefit obligation - Gratuity

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined benefit obligation at 1 April	85.30	73.68	46.17	31.14	25.41	17.13
Service cost	9.35	15.75	13.62	9.24	7.09	6.54
Interest cost	3.19	5.82	3.60	2.83	2.08	1.47
Benefits settled	(1.30)	(3.93)	(1.44)	(1.31)	(1.22)	(0.67)
Actuarial (gain)/ loss	2.93	(6.02)	11.73	4.27	(2.22)	0.94
Defined benefit obligation at period/year end	**99.47**	**85.30**	**73.68**	**46.17**	**31.14**	**25.41**

ii) Movement in fair value of plan assets

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Fair value of plan assets at 1 April	16.69	18.97	18.88	10.79	9.90	7.95
Expected return on plan assets	0.02	1.43	1.53	1.29	0.83	0.80
Actuarial gain/ (loss)	-	-	-	-	-	-
Employer contributions	1.63	0.43	-	8.11	1.28	1.82
Expenses	(0.26)	(0.15)	-	-	-	-
Benefits settled	(1.30)	(3.99)	(1.44)	(1.31)	(1.22)	(0.67)
Fair value of plan assets at period/year end	**16.78**	**16.69**	**18.97**	**18.88**	**10.79**	**9.90**

iii) Amount recognised in Restated standalone summary statement of assets and liabilities

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of defined benefit obligation	99.47	85.30	73.68	46.17	31.14	25.41
Fair value of plan assets	16.78	16.69	18.97	18.88	10.79	9.90
Net liability	**82.69**	**68.61**	**54.71**	**27.29**	**20.35**	**15.51**
Current liability	**3.45**	**2.95**	**3.80**	**1.39**	**0.73**	**0.92**
Non-current liability	**79.24**	**65.66**	**50.91**	**25.90**	**19.62**	**14.59**

iv) Expenses recognised in Restated standalone summary statement of profit and loss

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Service cost	9.35	15.75	13.62	9.24	7.09	6.54
Interest cost	3.19	5.82	3.60	2.83	2.08	1.47
Expected return on plan assets	(0.02)	(1.43)	(1.53)	(1.29)	(0.83)	(0.80)
Recognized net actuarial (gain)/ loss	2.93	(6.02)	11.73	4.27	(2.22)	0.94
Net gratuity cost, included in 'employee benefits expense'	**15.45**	**14.12**	**27.42**	**15.05**	**6.12**	**8.15**

v) Principal actuarial assumptions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Discount rate	7.33%	7.47%	7.90%	7.80%	9.10%	8.20%
Long term rate of compensation increase	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Estimated rate of return on planned assets	8.00%	8.25%	9.00%	9.00%	8.75%	9.15%

Discount rate**:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
Expected rate of return on plan assets**:** This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
Salary escalation rate**:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

vi) Amount for the current period and previous five years are as follows

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of defined benefit obligation	99.47	85.30	73.68	46.17	31.14	25.41
Fair value of plan assets	16.78	16.69	18.97	18.88	10.79	9.90
Deficit in the plan	**82.69**	**68.61**	**54.71**	**27.29**	**20.35**	**15.51**

b. Defined contribution plan

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Amount recognised in the restated standalone summary statement of profit and loss towards						
i) Provident fund	10.90	34.69	29.06	24.35	19.99	15.73
ii) Employee state insurance	20.08	14.84	12.07	11.63	10.80	1.50

13 Details of loans, investments, guarantees and securities given

INR in Millions

a. Loans given by the Company

Particulars	**30 September 2017**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**	**31 March 2013**
KIMS Hospitals Private Limited						
As at the beginning of the period/year	39.60	9.60	-	-	-	-
Given during the period/year	85.83	55.00	9.60	-	-	-
Repaid / adjusted during the period/year	-	(25.00)	-	-	-	-
As at the end of the period/year	125.43	39.60	9.60	-	-	-
KIMS Hospital Enterprises Private Limited						
As at the beginning of the period/year	4.95	-	-	-	-	-
Given during the period/year	6.00	4.95	-	-	-	-
Repaid / adjusted during the period/year	(10.95)	-	-	-	-	-
As at the end of the period/year	-	4.95	-	-	-	-
Arunodaya Hospitals Private Limited						
As at the beginning of the period/year	-	-	-	-	-	-
Given during the period/year	-	1.50	-	-	-	-
Repaid / adjusted during the period/year	-	(1.50)	-	-	-	-
As at the end of the period/year	-	-	-	-	-	-
KIMS Swastha Private Limited						
As at the beginning of the period/year	6.00	-	-	-	-	-
Given during the period/year	0.25	8.00	-	-	-	-
Repaid / adjusted during the period/year	-	(2.00)	-	-	-	-
As at the end of the period/year	6.25	6.00	-	-	-	-
KIMS Cuddles Private Limited						
As at the beginning of the period/year	3.18	-	-	-	-	-
Given during the period/year	-	3.28	-	-	-	-
Repaid / adjusted during the period/year	-	(0.10)	-	-	-	-
As at the end of the period/year	3.18	3.18	-	-	-	-
Bollineni Krishnaiah Charitable Trust						
As at the beginning of the period/year	-	-	-	0.73	0.80	0.80
Given during the period/year	-	-	-	-	-	-
Repaid / adjusted during the period/year	-	-	-	(0.73)	(0.07)	-
As at the end of the period/year	-	-	-	-	0.73	0.80
Bolllineni Developers Private Limited						
As at the beginning of the period/year	-	-	-	7.50	7.50	30.00
Given during the period/year	-	-	-	-	-	-
Repaid / adjusted during the period/year	-	-	-	(7.50)	-	(22.50)
As at the end of the period/year	-	-	-	-	7.50	7.50
KIMS Foundation and Research Centre						
As at the beginning of the period/year	13.83	15.82	16.81	17.07	15.69	8.29
Given during the period/year	-	0.11	-	-	1.38	7.40
Repaid / adjusted during the period/year	(3.00)	(2.10)	(0.99)	(0.26)	-	-
As at the end of the period/year	10.83	13.83	15.82	16.81	17.07	15.69
Bollineni Castings and Steel Limited						
As at the beginning of the period/year	-	-	-	-	-	10.60
Given during the period/year	-	-	-	-	-	-
Repaid / adjusted during the period/year	-	-	-	-	-	(10.60)
As at the end of the period/year	-	-	-	-	-	-

All the above loans are unsecured in nature and were given for the general business requirements of the borrowers. The loans are repayable on demand.

b. Investments by the Company

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
KIMS Hospitals Private Limited						
As at the beginning of the period/year	0.10	0.10	0.10	-	-	-
Investment during the period/year	-	-	-	0.10	-	-
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	0.10	0.10	0.10	0.10	-	-
KIMS Hospital Enterprises Private Limited						
As at the beginning of the period/year	155.88	118.37	93.37	0.07	0.07	-
Investment during the period/year	-	37.51	25.00	93.30	-	0.07
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	155.88	155.88	118.37	93.37	0.07	0.07
Arunodaya Hospitals Private Limited						
As at the beginning of the period/year	63.34	63.34	59.77	56.77	15.00	15.00
Investment during the period/year	-	-	3.57	3.00	41.77	-
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	63.34	63.34	63.34	59.77	56.77	15.00
KIMS Swastha Private Limited						
As at the beginning of the period/year	0.10	0.10	-	-	-	-
Investment during the period/year	-	-	0.10	-	-	-
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	0.10	0.10	0.10	-	-	-
KIMS Cuddles Private Limited						
As at the beginning of the period/year	0.10	-	-	-	-	-
Investment during the period/year	-	0.10	-	-	-	-
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	0.10	0.10	-	-	-	-
KIMS Sahariah Healthcare Private Limited						
As at the beginning of the period/year	0.10	-	-	-	-	-
Investment during the period/year	-	0.10	-	-	-	-
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	0.10	0.10	-	-	-	-
KIMS Hospital (Bhubaneswar) Private Limited						
As at the beginning of the period/year	0.10					
Investment during the period/year	-	0.10	-	-	-	-
Disposed off during the period/year	-	-	-	-	-	-
As at the end of the period/year	0.10	0.10	-	-	-	-
			-	-	-	-
KIMS Wardak Diagnostic Centre Private Limited						
As at the beginning of the period/year	-	-	-	2.03	2.03	2.03
Investment during the period/year	-	-	-	-	-	-
Disposed off during the period/year	-	-	-	2.03	-	-
As at the end of the period/year	-	-	-	-	2.03	2.03

c. Guarantees and security given by the Company
KIMS Hospital Enterprises Private Limited

Particulars	30 September 2017	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
As at the beginning of the period/year	310.00	110.00	60.00	60.00	-	-
Given during the period/year	-	200.00	50.00	-	60.00	-
Repaid / adjusted during the period/year	-	-	-	-	-	-
As at the end of the period/year	310.00	310.00	110.00	60.00	60.00	-

The security has been provided for procurement of medical equipment and cash credit limits.

14. The Company has the following un-hedged exposure in foreign currency at the period end:

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade payables (in USD)	-	-	-	0.32	5.70	5.70
Trade payables (in INR)	-	-	-	19.96	342.86	310.29
Other commitments (in EURO)	-	-	-	-	0.10	-
Other commitments (in INR)	-	-	-	-	8.26	-
Trade payables (in GBP)	-	-	-	-	-	-
Trade payables (in INR)	-	-	-	-	-	-
Total (in INR)	**-**	**-**	**-**	**19.96**	**351.12**	**310.29**

15. Interest in Joint venture

a. The Company had a 25% stake in KIMS Wardak Diagnostic Centre Private Limited, Kabul and the Group was entitled to exercise joint control in respect of operating matters in terms of the shareholders agreement.

b. Income received from joint venture during the respective period is as below:

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 20 December 2014	For the year ended 20 December 2013	For the period ended 20 December 2012
Income received	-	-	-	0.26	2.30	2.95

c. The Company has disposed off its share in joint venture with effect from 21 January 2015 and a loss of INR 0.79 millions was recognised arising out of such disposal.

d. The aggregate amounts of the assets, liabilities, income and expenses related to the Company's share in KIMS Wardak Diagnostic Centre Private Limited as at reporting period based on management accounts are given below:

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 20 December 2014	As at 20 December 2013	As at 20 December 2012
Balance Sheet						
Loan funds						
Secured loan	-	-	-	-	-	-
Unsecured loan	-	-	-	-	-	-
Net fixed assets	-	-	-	-	-	-
Current assets, loans and advances						
Inventories	-	-	-	0.13	0.01	0.02
Trade receivables	-	-	-	0.04	-	0.22
Cash and bank balances	-	-	-	0.15	0.57	3.39
Current liabilities and provisions						
Current liabilities	-	-	-	1.66	1.57	2.15
Net current assets	-	-	-	(1.34)	(0.99)	1.48
Debit balance in statement of Profit and loss	-	-	-	4.12	3.78	4.04
Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 20 December 2014**	**For the year ended 20 December 2013**	**For the year ended 20 December 2012**
Income statement						
Income						
Income from diagnostic centre	-	-	-	4.18	7.31	6.39
Other income	-	-	-	-	-	0.22
Expenditure						
Employee benefits expense	-	-	-	1.00	0.93	0.78
Other expenses	-	-	-	3.41	6.10	2.93
Depreciation	-	-	-	0.04	-	0.01
Profit / (loss) before taxation	-	-	-	(0.27)	0.28	2.89
Provision for taxation				-	-	(0.04)
Profit / (loss) after taxation	-	-	-	(0.27)	0.28	2.85

16. During the financial year 2016-17, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	36.73	3.89	40.62
Add: permitted receipts	7.91	94.30	102.21
Less: permitted payments	-	9.53	9.53
Less: amounts deposited in banks	44.64	70.49	115.13
Closing cash in hand as on 30 December 2016	**-**	**18.19**	**18.19**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

17. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. The Management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

18. Discontinuing operations:

On 2 August 2013, the shareholders of the Company approved the sale of Windmill division, a separate business segment "Electricity sales" as per Accounting Standard 17, Segment Reporting. Based on the same, the Company has sold the existing Windmill during the financial year 2013- 14 at a loss of INR 12.01 millions.

The carrying amount of assets and liabilities of Electricity Sales division to be settled are as follows:

INR in Millions

Particulars	**As at 31 March 2014**	**As at 31 March 2013**
Total assets	-	168.53
Total liabilities	-	69.05
Net assets	**-**	**99.48**

The following statement shows the revenue and expenses of continuing and discontinuing operations, as restated:

For the period 1 April 2013 to 31 March 2014: INR in Millions

Particulars	**Continuing operations**	**Discontinuing operations**	**Total**
Total revenue (including other income)	3,488.60	8.24	3,496.84
Total expenses	3,334.72	20.41	3,355.13
Profit/ (loss) before tax	153.88	(12.17)	141.71
Exceptional item	-	-	-
Income-tax expense*	(99.81)	0.04	(99.77)
Profit/ (loss) after tax	54.07	(12.13)	41.94

*includes INR 0.04 millions of tax expenses (including deferred tax) for book loss on disposal of assets attributable to discontinuing operations.

For the period 1 April 2012 to 31 March 2013: INR in Millions

Particulars	**Continuing operations**	**Discontinuing operations**	**Total**
Total income (including other income)	2,914.95	23.84	2,938.79
Total expenses	2,637.66	23.08	2,660.74
Profit before tax	277.29	0.76	278.05
Exceptional item	-	-	-
Income-tax expense	(95.34)	-	(95.34)
Profit after tax	181.95	0.76	182.71

The Net cash flows attributable to the Electricity sales division for the period 1 April 2013 to 31 March 2014 are as follows:

INR in Millions

Particulars	**Continuing operations**	**Discontinuing operations**	**Total**
Net cash inflow/ (outflow) from operating activities	763.42	32.81	796.23
Net cash inflow/ (outflow) from investing activities	(792.24)	116.11	(676.13)
Net cash inflow/ (outflow) from financing activities	(22.96)	(72.52)	(95.48)
Net cash inflow/ (outflow) for the year attributable to Electricity sale division	(51.78)	76.40	24.62

Krishna Institute of Medical Sciences Limited

Annexure - XXXI
Notes to Restated Standalone Financial Information

Capitalisation statement

INR in Millions

Particulars	Pre issue as at 30 September 2017	As adjusted for the Issue (refer note 1 below)
Borrowings		
Long-term borrowings (A)	1,885.33	
Current maturities of long term borrowings (B)	629.67	
Total long-term borrowings (C)=(A)+(B)	**2,515.00**	
Short-term borrowings	172.68	
Total Borrowings (D)	**2,687.68**	
Shareholders' funds		
Share capital		
Equity share capital (71,624,596) equity shares of INR10 each)	716.25	
Reserves and surplus		
Securities premium	779.64	
Adjustment reserve	57.64	
Surplus i.e. balance in the restated standalone summary statement of profit and loss	1,858.22	
Total shareholders' funds (E)	**3,411.75**	
Long-term borrowings / Shareholders' funds (C/E)	**0.74**	
Total borrowings / Shareholders' funds (D/E)	**0.79**	

Notes:

1. The corresponding figures (as adjusted for the Issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Krishna Institute of Medical Sciences Limited

Annexure - XXXII
Notes to Restated Standalone Financial Information

Accounting ratios

INR in Millions except share data and unless otherwise stated

Particulars		Six month period ended 30 September 2017	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Restated net worth at the end of the period/year (INR in millions) (refer note 4 below)	**A**	3,411.75	3,240.96	2,610.36	2,367.37	1,961.07	1,919.12
Net profit after tax as per Restated Standalone Summary Statement of profit and loss (INR in millions)	**B**	170.79	325.41	242.98	58.00	41.94	182.71
Restated net profit/(loss) after tax for the period/year ended (INR in millions):							
For basic earnings for share	**C**	170.79	325.41	242.98	58.00	41.94	182.71
For diluted earnings per share	**D**	170.79	325.41	242.98	58.00	41.94	182.71
Weighted average number of equity shares outstanding during the period/year: (refer note 3 below)							
For basic earnings for share	**E**	71,624,596	70,661,436	70,403,856	70,334,176	69,843,754	68,872,430
For diluted earnings per share	**F**	71,624,596	70,661,436	70,403,856	70,334,176	69,843,754	70,147,730
Earnings per share (EPS) INR 10 each (refer note 5 below)							
- Basic (INR)	G=C/E	2.38	4.61	3.45	0.82	0.60	2.65
- Diluted (INR)	H=D/F	2.38	4.61	3.45	0.82	0.60	2.60
Return on net worth (RONW) (%)	I=B/A	5.01%	10.04%	9.31%	2.45%	2.14%	9.52%
Total number of equity shares outstanding at the end of the period/year	**J**	71,624,596	71,624,596	70,403,856	8,800,482	5,610,862	3,825,484
Net asset value per equity share (NAV) (INR)	**K=A/J**	47.63	45.25	37.08	269.00	349.51	501.67

Notes:

1. The above ratios have been computed on the basis of the Restated Standalone Financial Statements of the Company.

2. The ratios have been computed as below:

a) Basic earnings/(loss) per share (INR)
$$\frac{\text{Restated net profit/(loss) after tax for the period/year ended for basic earnings per share}}{\text{Weighted average number of equity shares outstanding during the period/year considered for calculating basic earnings per share}}$$

b) Diluted earnings/(loss) per share (INR)
$$\frac{\text{Restated net profit/(loss) after tax for the period/year ended for diluted earnings per share}}{\text{Weighted average number of equity shares outstanding during the period/year considered for calculating diluted earnings per share}}$$

c) Return on net worth (%)
$$\frac{\text{Net profit/(loss) after tax as per Restated Standalone Summary Statement of profit and loss}}{\text{Restated net worth at the end of the period/year}}$$

d) Net asset value per equity share (INR)
$$\frac{\text{Restated net worth at the end of the period/year}}{\text{Total number of equity shares outstanding at the end of the period/year}}$$

3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during the period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year. For the purpose of computation of basic, diluted earnings per share and net asset value per share, the equity shares for all the period/years presented are adjusted for such bonus shares.

4. Net worth for ratios mentioned above represents the aggregate of the paid up share capital, shares to be issued pursuant to Scheme of Arrangement, securities premium, surplus in the Restated standalone summary statement of profit and loss and adjustment reserves created pursuant to Scheme of Arrangement (refer Annexure XXX Note 8).

5. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

6. Pursuant to the scheme of arrangement, the Company allotted shares to both Transferor Company and demerged Company in accordance with the scheme of arrangement as approved by the Honourable High Court of Andhra Pradesh on 27 June 2013. Had the shares been allotted before the balance sheet date, the Company's paid up share capital would have been 5,100,784 equity shares of INR 10 each amounting to INR 51.00 millions as against the existing paid up share capital of 3,825,484 equity shares of INR 10 each amounting to INR 38.25 millions for the year ended 31 March 2013. Accordingly, Basic and Diluted EPS for the year ended 31 March 2013 would be INR 2.60 and INR 2.60 respectively as against the reported Basic and Diluted EPS of INR 2.65 and INR 2.60 respectively.

Krishna Institute of Medical Sciences Limited

Annexure - XXXIII
Notes to Restated Standalone Financial Information

Tax shelter

INR in Millions

Particulars		For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Restated profit/(loss) before tax	A	**261.46**	**512.71**	**384.44**	**121.41**	**141.71**	**278.05**
Income-tax rates applicable (including surcharge and education cess)	B	34.61%	34.61%	34.61%	32.45%	32.45%	32.45%
Tax thereon at the above rates	C = A*B	90.49	177.44	133.05	39.39	45.98	90.23
Permanent differences							
Donations		0.25	5.41	15.00	0.81	0.76	0.21
(Profit)/ loss on sale of fixed asset		-	(0.60)	(0.74)	14.37	21.08	0.37
Addition for delayed payment of Provident Fund		-	-	-	-	1.54	0.34
ROC charges written off		-	0.31	5.90	-	-	-
Corporate Social Responsibility		0.26	4.92	4.10	4.80	-	-
Section 80IA benefit under the Income-tax Act		-	-	-	-	-	(0.77)
Others		-	18.46	0.02	-	2.10	2.92
Total permanent difference	**D**	**0.51**	**28.50**	**24.28**	**19.98**	**25.48**	**3.07**
Timing/ temporary differences							
Depreciation and amortization		(72.43)	(131.40)	(145.67)	(188.63)	(264.56)	(283.13)
Provision for gratuity, compensated absences and bonus		32.85	16.51	44.60	15.23	8.46	11.41
Provision for doubtful debts (net)		14.17	19.86	14.38	4.99	4.67	3.46
Unabsorbed depreciation/Carried forward business losses		-	-	(16.05)	-	-	-
Others		-	(3.40)	-	-	-	-
Total timing differences	**E**	**(25.41)**	**(98.43)**	**(102.74)**	**(168.41)**	**(251.43)**	**(268.26)**
Net Adjustment	**F=D+E**	**(24.90)**	**(69.93)**	**(78.46)**	**(148.43)**	**(225.95)**	**(265.19)**
Tax impact of adjustments	**G=F*B**	**(8.62)**	**(24.20)**	**(27.15)**	**(48.16)**	**(73.32)**	**(86.03)**
Tax provision based on taxable income as per tax laws	**H=C+G**	**81.87**	**153.24**	**105.90**	**-**	**-**	**4.20**
Minimum Alternate Tax under Section 115JB of Income Tax Act	I	58.82	106.56	79.79	26.49	29.29	56.32
Current tax expenses (Higher of H and I)	J	81.87	153.24	105.90	26.49	29.29	56.32
Deferred tax	K	8.79	34.06	35.56	63.41	81.58	87.04
MAT credit entitlement	L	-	-	-	(26.49)	(29.29)	(52.12)
MAT credit entitlement (not recognised in the absence of the convincing evidence)	M	-	-	-	-	18.19	4.10
Total tax expense	N=J+K+L+M	90.66	187.30	141.46	63.41	99.77	95.34

Auditor's Report on Restated Consolidated Financial Statements in connection with Draft Red Herring Prospectus

To
The Board of Directors
Krishna Institute of Medical Sciences Limited
1-8-31/1, Minister Road, Krishna Nagar Colony
Begumpet, Secunderabad – 500003
Telangana

Dear Sirs,

1) We have examined the attached Restated Consolidated Financial Information (initialed by us for identification purposes) of Krishna Institute of Medical Sciences Limited (hereinafter referred to as 'KIMS' or 'the Company') and its subsidiaries, (collectively known as "Group"), associate and joint venture, which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at September 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the six months period ended September 30, 2017 and for each of the financial years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 and the Summary of Significant Accounting Policies as approved by the Board of Directors of the Company at their meeting held on 27 November 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares, including an offer for sale by certain existing shareholders and prepared by the Company in terms of the requirements of :

c) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and

d) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ("ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992.

The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2) We have examined such Restated Consolidated Financial Information taking into consideration:
   b) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 31 October 2017 in connection with the proposed issue of equity shares of the Company; and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("The Guidance Note").

3) These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated financial statements of the Group, associate and joint venture for the six months period ended September 30, 2017 and financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 which have been approved by Board of directors at their meetings held on November 27, 2017, June 12, 2017, June 22, 2016, June 24, 2015, December 14, 2016, and December 14, 2016 respectively.
The audit of the Company for the financial years ended March 31, 2014 and March 31, 2013 was conducted by B S R and Associates, Chartered Accountants, one of the other member entity of

B S R & Affiliates, a network registered with the ICAI, and accordingly reliance has been placed on the financial information of the Company examined by them for the said years. The financial report included for these years, i.e., March 31, 2014 and March 31, 2013 are based solely on the reports submitted by B S R and Associates. Further, B S R and Associates have also confirmed that the restated standalone financial information:

a. have been made after incorporating adjustments for changes in accounting policies regarding change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at and during the six months period ended September 30, 2017;

b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c. do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information and do not contain any qualifications or emphasis of matter requiring adjustments.

4) We did not audit the financial statements of certain subsidiaries and associate which have been audited by other auditors, whose report has been furnished to us, for the six months period ended September 30, 2017 and financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 in so far as it relates to the amounts included in the consolidated financial statements is based solely on the report of the other auditors (refer Appendix I). The aforesaid financial statements includes a subsidiary i.e. KIMS Hospitals Private Limited for the period from 10 December 2014 to 31 March 2015 which has been audited by B. Naga Bhushan & Co., Chartered Accountants vide their report dated 18 March 2017. The Group's share of total assets, net assets, total revenues, and net cash flows and Group's share of net profit/loss, pertaining to certain subsidiaries and associate in the Restated Consolidated Financial Information, for the relevant years not audited by us is tabulated below:

(INR in millions)

Particulars	**30 September 2017**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**	**31 March 2013**
Total assets	129.35	49.48	9.76	202.58	214.22	23.77
Net assets	(13.36)	(3.18)	0.13	83.31	74.21	0.10
Revenues	0.00	0.06	-	296.45	12.89	-
Net cash inflows/ (outflow)	0.36	0.28	0.09	(6.63)	14.97	2.45
Group's shares of net profit/ (loss)	-	-	-	(35.36)	8.93	4.51

We did not audit the financial statements of joint venture for the six months period ended September 30, 2017 and the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 whose share of total assets, net assets, total revenues and net cash flows, included in the Restated Consolidated Financial Information, for the relevant years is tabulated below:

(INR in millions)

Particulars	**30 September 2017**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**	**31 March 2013**
Total assets	-	-	-	0.07	0.59	0.54
Net assets	-	-	-	0.06	(3.01)	(4.22)
Revenues	-	-	-	-	7.31	6.60
Net cash inflows/ (outflows)	-	-	-	0.07	0.23	(0.15)

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Restated consolidated financial information, in so far as it relates to the amounts and disclosures included in respect of these joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the Management, these financial statements are not material to the Group.

5) Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules, the ICDR Regulations and the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we report that:

a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group, its associate and joint venture as at September 30, 2017, March 30, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V –Statement of restatement adjustments to the Audited Consolidated Financial Statements.

b) The Restated Consolidated Summary Statement of Profit and Loss of the Group, its associate and joint venture for six months period ended September 30, 2017 and each of the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V –Statement of restatement adjustments to the Audited Consolidated Financial Statements.

c) The Restated Consolidated Summary Statement of Cash Flows of the Group, its associate and joint venture for six months period ended September 30, 2017 and each of the financials years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V –Statement of restatement adjustments to the Audited Consolidated Financial Statements.

d) Based on the above, and based on the reliance placed on the Standalone Financials Statements audited by B S R and Associates, Chartered Accountants, one of the other member entity of B S R & Affiliates, a network registered with the ICAI for the years ended March 31, 2014 and March 31, 2013, we further report that the Restated Consolidated Financial Information::

(i) have been made after incorporating adjustments for changes in accounting policies regarding change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Group, Associate and Joint Venture as at and for the six months period ended September 30, 2017;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualifications or emphasis of matter requiring adjustments.

6) We have also examined the following Notes to Restated Consolidated Financial Information of the Group, associate and joint venture set out in the Annexures prepared by the management and approved by the Board of Directors on November 27, 2017 for each of the six months period ended September 30, 2017 and the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013:

(a) Annexure VI – Notes to Restated Consolidated Financial Information - Share capital;
(b) Annexure VII - Notes to Restated Consolidated Financial Information -Reserves and surplus;
(c) Annexure VIII - Notes to Restated Consolidated Financial Information -Long-term borrowings (with terms and conditions of Long-term borrowings);
(d) Annexure IX - Notes to Restated Consolidated Financial Information - Deferred tax liability;
(e) Annexure X - Notes to Restated Consolidated Financial Information - Other long-term liabilities and provisions;
(f) Annexure XI - Notes to Restated Consolidated Financial Information - Short-term borrowings (with terms and conditions of Short-term borrowings)
(g) Annexure XII - Notes to Restated Consolidated Financial Information - Trade payables;
(h) Annexure XIII - Notes to Restated Consolidated Financial Information - Other current liabilities;
(i) Annexure XIV - Notes to Restated Consolidated Financial Information – Short-term provisions;
(j) Annexure XV - Notes to Restated Consolidated Financial Information - Fixed assets;
(k) Annexure XVI - Notes to Restated Consolidated Financial Information - Non-current investments;
(l) Annexure XVII - Notes to Restated Consolidated Financial Information - Long-term and Short-term loans and advances;
(m) Annexure XVIII - Notes to Restated Consolidated Financial Information - Other non-current assets and current assets and inventories;
(n) Annexure XIX - Notes to Restated Consolidated Financial Information - Trade receivables;
(o) Annexure XX - Notes to Restated Consolidated Financial Information - Cash and Bank balances;
(p) Annexure XXI - Notes to Restated Consolidated Financial Information - Revenue from operations;
(q) Annexure XXII - Notes to Restated Consolidated Financial Information - Other income;
(r) Annexure XXIII - Notes to Restated Consolidated Financial Information - medical consumables and pharmacy items consumed and operating expenses;
(s) Annexure XXIV - Notes to Restated Consolidated Financial Information - Employee benefits expense;
(t) Annexure XXV - Notes to Restated Consolidated Financial Information - Finance costs;
(u) Annexure XXVI - Notes to Restated Consolidated Financial Information - Other expenses;
(v) Annexure XXVII - Notes to Restated Consolidated Financial Information - Contingent liabilities, commitments and pending litigations;
(w) Annexure XXVIII - Notes to Restated Consolidated Financial Information - Related party transactions;
(x) Annexure XXIX - Notes to Restated Consolidated Financial Information - segment reporting;
(y) Annexure XXX – Other notes annexed to and forming part of Restated Consolidated Financial Information;
(z) Annexure XXXI - Notes to Restated Consolidated Financial Information -Capitalisation statement;
(aa) Annexure XXXII - Notes to Restated Consolidated Information - Accounting ratios;

7) Emphasis of matter

We draw attention to note 6 to Annexure XXX in the notes to Restated Consolidated Financial Information wherein pursuant to a scheme of arrangement, the Company has included in ‘Surplus i.e., balance in Statement of Profit and Loss’, net profit of Bollineni Heart Centre Limited (‘transferor company”) amounting INR 37.66 millions and Bollineni Ramanaiah Memorial Hospital Private Limited (“demerged company”) amounting INR 24.98 millions for the year ended 31 March 2012. We did not audit the financial statements and other financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for the year ended 31 March 2012 and they were audited by other auditors whose reports have been furnished to us and they have expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of the aforesaid matter.

8) According to the information and explanations given to us, in our opinion, the Restated Consolidated Financial Information and the above notes to Restated Consolidated Financial Information contained in Annexures VI to XXXII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules, ICDR Regulations and the Guidance Note, issued in this regard, as amended from time to time.

9) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11) Our report is intended solely for use of the Management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited in connection with the proposed issue of equity shares of the Company, by way of fresh issue and/or offer for sale by certain existing shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: Hyderabad
Date: November 27, 2017

Appendix I

List of financial statement of subsidiaries audited by other auditors:

Name of entity	Year/ Period ended	Name of auditors
Arunodaya Hospitals Private Limited	31 March 2014	Rao & Shyam
	31 March 2015	Rao & Shyam
KIMS Hospitals Enterprises Private Limited	Period from 15 February 2013 to 31 March 2013	B. Naga Bhushan & Co.
KIMS Hospitals Private Limited	Period from 10 December 2014 to 31 March 2015	B. Naga Bhushan & Co.
	31 March 2016	B. Naga Bhushan & Co.
	31 March 2017	B. Naga Bhushan & Co.
	30 September 2017	B. Naga Bhushan & Co.
KIMS Swastha Private Limited	Period from 06 October 2015 to 31 March 2016	B. Naga Bhushan & Co.
	31 March 2017	B. Naga Bhushan & Co.
	30 September 2017	B. Naga Bhushan & Co.
KIMS Cuddles Private Limited	29 June 2016 to 31 March 2017	B. Naga Bhushan & Co.
	30 September 2017	B. Naga Bhushan & Co.
KIMS Sahariah Healthcare Private Limited	24 August 2016 to 31 March 2017	B. Naga Bhushan & Co.
	30 September 2017	B. Naga Bhushan & Co.
KIMS Hospitals (Bhubaneswar) Private Limited	20 March 2017 to 31 March 2017	B. Naga Bhushan & Co.
	30 September 2017	B. Naga Bhushan & Co.

List of financial statement of associates audited by other auditors:

Name of entity	Year/ Period ended	Name of auditors
Arunodaya Hospitals Private Limited	31 March 2013	Rao & Shyam
KIMS Hospitals Enterprises Private Limited	31 March 2015	B. Naga Bhushan & Co.

Krishna Institute of Medical Sciences Limited

Annexure - I

Restated Consolidated Summary Statement of Assets and Liabilities

INR in Millions

Particulars	Annexures	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	VI	716.25	716.25	704.04	88.00	56.11	38.25
Shares to be issued pursuant to Scheme of Arrangement (refer Annexure XXX- Note 6)	VI.7	-	-	-	-	-	12.75
Reserves and surplus	VII	2,726.16	2,548.07	1,929.53	2,296.54	1,907.09	1,872.40
		3,442.41	3,264.32	2,633.57	2,384.54	1,963.20	1,923.40
Minority interest	XXX.7	82.40	73.94	68.48	58.58	53.26	0.03
Non-current liabilities							
Long-term borrowings	VIII A	1,896.86	1,969.72	1,742.26	2,007.40	2,040.59	1,599.45
Deferred tax liabilities (net)	IX	463.78	455.01	420.73	390.46	322.09	240.17
Other long-term liabilities	X.1	2.10	2.10	2.10	0.09	30.68	0.19
Long-term provisions	X.2	83.82	75.14	53.80	30.40	22.39	15.85
		2,446.56	2,501.97	2,218.89	2,428.35	2,415.75	1,855.66
Current liabilities							
Short-term borrowings	XI A	174.67	116.76	166.24	334.63	267.24	115.38
Trade payables	XII						
- Total outstanding dues of micro enterprises and small enterprises		-	-	0.02	0.05	0.02	0.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,012.08	784.37	668.43	616.65	603.79	385.66
Other current liabilities	XIII	891.99	974.98	872.47	736.55	1,055.41	1,374.47
Short-term provisions	XIV	38.55	29.91	29.14	12.53	6.63	6.29
		2,117.29	1,906.02	1,736.30	1,700.41	1,933.09	1,881.89
Total equity and liabilities		**8,088.66**	**7,746.25**	**6,657.24**	**6,571.88**	**6,365.30**	**5,660.98**
ASSETS							
Non-current assets							
Fixed assets							
- Property, plant and equipment	XV A	6,053.73	5,164.31	5,127.89	5,098.18	4,674.19	4,082.60
- Intangible assets	XV B	15.95	14.64	12.97	8.19	3.82	0.61
- Capital work-in-progress	XV C	22.87	636.02	23.89	100.55	509.40	746.42
Goodwill on consolidation		4.30	4.30	4.30	3.25	2.42	-
Non-current investments	XVI	145.99	142.52	108.76	85.01	0.07	23.31
Deferred tax assets (net)	IX	9.16	10.95	7.30	-	-	-
Long-term loans and advances	XVII.1	328.34	203.66	214.52	261.72	190.88	158.89
Other non-current assets	XVIII.1	10.90	11.36	7.70	9.14	7.87	23.81
		6,591.24	6,187.76	5,507.33	5,566.04	5,388.65	5,035.64
Current assets							
Inventories	XVIII.3	213.89	164.09	123.08	112.53	115.79	82.11
Trade receivables	XIX	1,037.71	916.11	664.73	373.28	304.21	287.87
Cash and bank balances	XX	116.24	84.15	68.49	141.35	271.14	116.83
Short-term loans and advances	XVII.2	76.93	324.71	225.98	320.67	211.88	99.30
Other current assets	XVIII.2	52.65	69.43	67.63	58.01	73.63	39.23
		1,497.42	1,558.49	1,149.91	1,005.84	976.65	625.34
Total assets		**8,088.66**	**7,746.25**	**6,657.24**	**6,571.88**	**6,365.30**	**5,660.98**

Notes:

1. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Krishna Institute of Medical Sciences Limited

Annexure - II

Restated Consolidated Summary Statement of Profit and Loss

INR in Millions

Particulars	Annexure	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue							
Revenue from operations	XXI	3,277.62	5,671.38	5,118.17	4,196.78	3,510.31	2,937.56
Other income	XXII	11.56	27.93	45.70	41.90	67.01	29.40
Total revenue		**3,289.18**	**5,699.31**	**5,163.87**	**4,238.68**	**3,577.32**	**2,966.96**
Expenses							
Medical consumables and pharmacy items consumed	XXIII.1	788.32	1,384.95	1,258.22	1,118.85	992.54	866.45
Operating expenses	XXIII.2	1,091.56	1,871.55	1,680.17	1,430.67	1,132.46	920.84
Employee benefits expense	XXIV	615.34	979.75	807.23	692.32	556.48	434.52
Finance costs	XXV	149.24	306.86	358.14	337.51	297.33	145.18
Depreciation and amortisation	XV (A) & (B)	196.51	351.34	354.98	322.67	247.45	209.66
Other expenses	XXVI	164.96	277.02	296.11	195.38	204.21	112.87
Total expenses		**3,005.93**	**5,171.47**	**4,754.85**	**4,097.40**	**3,430.47**	**2,689.52**
Restated profit before tax		**283.25**	**527.84**	**409.02**	**141.28**	**146.85**	**277.44**
Restated profit before tax from continuing operations		**283.25**	**527.84**	**409.02**	**141.28**	**159.02**	**276.68**
Income-tax expense of continuing operations							
- Current tax		89.61	162.36	106.31	28.96	10.72	56.36
- MAT credit entitlement		-	-	-	(28.04)	(11.16)	(48.02)
- Deferred tax	IX	10.56	30.63	22.97	68.37	103.73	87.03
Restated profit after tax from continuing operations (A)		**183.08**	**334.85**	**279.74**	**71.99**	**55.73**	**181.31**
Restated profit/ (loss) before tax from discontinuing operations		-	-	-	-	(0.16)	0.76
Net loss on disposal of assets and liabilities of discontinuing operations		-	-	-	-	(12.01)	-
Less: Income-tax expense of discontinuing operations							
- Current tax		-	-	-	-	18.19	-
- Deferred tax		-	-	-	-	(18.23)	-
Restated profit after tax from discontinuing operations (B)		**-**	**-**	**-**	**-**	**(12.13)**	**0.76**
Restated profit after tax (C)=(A)+(B)		**183.08**	**334.85**	**279.74**	**71.99**	**43.60**	**182.07**
Add: Share of net profit/(loss) of Associate	XXX.7	3.47	(3.75)	(1.25)	(8.36)	13.85	7.51
Less: Share of minority interest	XXX.7	(8.46)	(5.54)	(12.34)	(7.55)	(0.11)	-
Restated profit after tax		**178.09**	**325.56**	**266.15**	**56.08**	**57.34**	**189.58**
Earnings per equity share (face value of INR 10 per share)	XXXII						
Basic earning per share		2.49	4.61	3.78	0.80	0.82	2.75
Diluted earning per share		2.49	4.61	3.78	0.80	0.82	2.70

Notes:

1. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Krishna Institute of Medical Sciences Limited

Annexure - III

Restated Consolidated Summary Statement of Cash Flow

INR in Millions

Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
I. Cash flows from operating activities						
Net profit before taxation	283.25	527.84	409.02	141.28	146.85	277.44
Adjustments:						
Depreciation and amortisation	196.51	351.34	354.98	322.67	247.45	209.66
(Profit)/ loss on sale of Property, plant and equipment	-	(0.82)	(0.72)	14.42	21.08	0.37
Loss on sale of investment in joint venture	-	-	-	0.79	-	-
Provision for doubtful receivables	14.01	20.36	16.28	4.99	4.67	3.46
Trade receivables written off	-	-	1.48	6.58	20.30	0.48
Interest income on fixed deposits and loans	(1.51)	(3.66)	(4.64)	(10.54)	(19.23)	(7.83)
Liabilities no longer required written back	-	-	-	-	(6.91)	(0.35)
Interest on income tax refund	-	(2.96)	(9.69)	(4.69)	(1.56)	(0.12)
Finance costs	149.24	306.86	358.14	337.51	297.33	145.18
Operating profit before working capital changes	**641.50**	**1,198.96**	**1,124.85**	**813.01**	**709.98**	**628.29**
Adjustments for:						
(Increase) in trade receivables	(135.61)	(271.74)	(309.21)	(80.64)	(31.52)	(39.85)
(Increase)/ decrease in inventories	(49.80)	(41.01)	(10.55)	3.26	(16.69)	(9.26)
Decrease / (increase) in loans and advances	91.20	(95.17)	47.00	(17.17)	(29.61)	(87.60)
Increase / (decrease) in liabilities and provisions	264.48	152.18	107.46	51.01	245.31	(76.58)
Cash generated from operations	**811.77**	**943.22**	**959.55**	**769.47**	**877.47**	**415.00**
Income taxes paid, net	(116.73)	(127.73)	(5.01)	(130.52)	(99.90)	(68.74)
Net cash provided by operating activities (A)	**695.04**	**815.49**	**954.54**	**638.95**	**777.57**	**346.26**
II. Cash flows from investing activities						
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, capital advances and capital creditors	(423.46)	(1,003.37)	(348.36)	(857.86)	(687.48)	(854.28)
Proceeds from sale of fixed assets	-	3.18	1.88	43.79	130.38	0.96
Investment in subsidiaries and associate	-	(37.51)	(28.56)	(96.30)	1.21	(0.95)
Proceeds from sale of investment in joint venture	-	-	-	1.24	-	-
Bank deposits (having original maturity of more than three months), net	-	30.12	(33.13)	175.40	(100.54)	29.57
Advance for purchase of shares	-	-	-	-	-	2.00
Interest received	1.60	7.53	1.08	21.01	12.11	5.40
Proceeds from issue of shares by subsidiary	-	-	-	-	-	0.03
Net cash used in investing activities (B)	**(421.86)**	**(1,000.05)**	**(407.09)**	**(712.72)**	**(644.32)**	**(817.27)**
III. Cash flows from financing activities						
Repayment of long-term borrowings	(335.31)	(679.45)	(541.92)	(814.76)	(995.78)	(309.85)
Proceeds from long-term borrowings	179.54	975.18	420.09	858.11	1,077.06	840.95
Net proceeds/ (repayment) of short-term borrowings	60.61	(53.97)	(163.90)	67.39	138.55	47.86
Proceeds from issue of shares	-	305.19	-	365.44	-	-
Share issue expenses	-	-	(17.13)	-	-	-
Finance costs paid	(146.58)	(311.88)	(351.95)	(356.40)	(325.99)	(107.04)
Net cash provided by/ (used in) financing activities (C)	**(241.74)**	**235.07**	**(654.81)**	**119.78**	**(106.16)**	**471.92**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	31.44	50.51	(107.36)	46.01	27.09	0.91
Cash and cash equivalents at the beginning of the period/year	82.80	32.29	139.65	93.64	69.01	68.10
Opening cash balance of subsidiary	-	-	-	-	(2.46)	-
Cash and cash equivalents at the end of the period/year (refer Annexure XX)	**114.24**	**82.80**	**32.29**	**139.65**	**93.64**	**69.01**

Notes:

1. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Krishna Institute of Medical Sciences Limited

Annexure - IV

1 Group overview

Krishna Institute of Medical Sciences Limited ("KIMS" or "the Company" or "the Holding Company") together with its subsidiaries (collectively termed as "the Group" or "the consolidated entities"), associate and joint venture is primarily engaged in the business of rendering hospital services. It has a network of multispecialty and super specialty hospitals spread across multiple locations. The Company was originally incorporated on 26 July 1973 under the name “Jagjit Singh and Sons Private Limited” which was subsequently changed to “Krishna Institute of Medical Science Private Limited” on 2 January 2004. The Company was converted into a public limited company under the Companies Act, 1956 on 29 January 2004 and consequently, the name was changed to “Krishna Institute of Medical Sciences Limited”.

2 Significant accounting policies

a. Basis of preparation of Restated Consolidated Financial Information

The Restated Consolidated Financial Information of the Group, associate and joint venture have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Financial Information consist of the Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017, the Restated Consolidated Summary Statement of Profit and Loss for the years ended 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for the six months period ended 30 September 2017 and the notes thereto and the Restated Consolidated Summary Statement of Cash Flow for the years ended 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for the six months period ended 30 September 2017 and annexures thereto (hereinafter collectively referred to as “the Restated Consolidated Financial Information”).

The Restated Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 notified by SEBI on August 26, 2009, as amended from time to time (“the SEBI Regulations”). The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Group, associate and joint venture for each of the five years immediately preceding the issue of the Prospectus. These Restated Consolidated Financial Information were approved by the Board of Directors of the Company in their meeting held on 27 November 2017.

The Restated Consolidated Financial Information of the Group are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of 2013 Act [which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India ('the ICAI'), and the provisions of the 2013 Act to the extent notified and applicable.

The Restated Consolidated Financial Information are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Group, associate and joint venture. The accounting policies have been consistently applied by the Group, associate and joint venture. The Restated Consolidated Financial Information are presented in Indian rupees (INR), rounded off to the nearest millions with two decimals except for earnings / (losses) per share details and where not mentioned otherwise.

The Restated Consolidated Financial Information have been prepared so as to contain information/ disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective period/year adjustment in the financial statements;

(b) Adjustments for the material amounts in respective period/years to which they relate

(c) Adjustments for previous period/years identified and adjusted in arriving at the profits of the period/years to which they relate irrespective of the period/year in which the event triggering the profit or loss occurred;

(d) Adjustments, if any, to the profits or losses of the earlier period/years and of the period/year in which the change in the accounting estimates has taken place is recomputed to reflect what the profits or losses of those period/years would have been if a uniform accounting estimate was followed in each of these period/years;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements as at and for the six months period ended 30 September 2017 and the requirements of the SEBI Regulations;

(f) The resultant impact of deferred tax due to the aforesaid adjustments.

Krishna Institute of Medical Sciences Limited

Annexure - IV (continued)

2 Significant accounting policies (continued)

Basis of consolidation

The Restated Consolidated Financial Information ("CFS") include the financial statements of Krishna Institute of Medical Sciences Limited ("KIMS" or "the Company" or "the Holding Company") together with its subsidiaries (collectively termed as "the Group" or "the consolidated entities") , associate and joint ventures which are prepared under the historical cost convention on accrual basis of accounting and comply with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 6 and 7 of the Companies (Accounts) Rules, 2014, in particular Accounting Standard 21 (AS 21) - "Consolidated Financial Statements", Accounting Standard 23 (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements", and Accounting Standard 27 (AS 27) - "Financial Reporting of Interests in Joint Ventures in Consolidated Financial Statements", the provisions of the Act to the extent applicable and other accounting principles generally accepted in India. The Restated Consolidated Financial Information are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's restated standalone financial information. Appropriate disclosure as applicable is made of significant deviations from the accounting policies which have not been adjusted. The Restated Consolidated Financial Information are presented in Indian Rupees (INR).

The Restated Consolidated Financial Information include the restated standalone financial information of the Company, and all of its subsidiaries, in which the parent has more than one-half of the voting power of an enterprise or where the Company controls the composition of the board of directors. In accordance with AS 27, the Company has accounted for its proportionate share of interest in joint venture by the proportionate consolidation method.

The Restated Consolidated Financial Information have been prepared on the following basis:

a) The restated financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries

b) The proportionate share of Company’s interest in Joint Ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits, to the extent it pertains to the Group.

c) The excess / deficit of cost to the parent company of its investment in the subsidiaries and joint venture over its portion of equity at the respective dates on which investment in such entities were made is recognised in the consolidated financial statements as goodwill/ capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not Principles available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

d) The gains or losses arising from the disposal of investments in subsidiary is transferred to the consolidated Consolidated statement of profit and loss. Such gains or losses are the difference between the sale proceeds and the net carrying values of the investments.

e) Minority interest in the net assets of consolidated subsidiary consists of:

i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made;

ii) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence; and

iii) Losses are restricted to the extent of balance of minority interest.

f) Accounting for investments in associate companies has been carried out under the equity method of accounting prescribed under Accounting Standard 23 - "Accounting for Investments in Associates in consolidated financial statements" wherein goodwill/capital reserve arising at the time of acquisition, and the Group's share of profit or loss after the date of acquisition have been adjusted in the investment value.

g) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group’s share of equity in the subsidiaries, is recognised as “Goodwill on Consolidation” being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on date of investment is in excess of cost of investments of the Group, it is recognised as “Capital Reserves” and shown under the head “Reserves and Surplus” in the special purpose consolidated financial statements.

List of subsidiaries with percentage of holding considered in Consolidated Financials Statements.

Name of the subsidiaries	**Country of incorporation**	**Proportion of ownership/ voting power as at 30 September 2017 (in %)**	**Proportion of ownership/ voting power as at 31 March 2017 (in %)**	**Proportion of ownership/ voting power as at 31 March 2016 (in %)**	**Proportion of ownership/ voting power as at 31 March 2015 (in %)**	**Proportion of ownership/ voting power as at 31 March 2014 (in %)**	**Proportion of ownership/ voting power as at 31 March 2013 (in %)**
Arunodaya Hospitals Private Limited (“Arunodaya”)	India	57.83%	57.83%	57.83%	55.85%	53.85%	-
KIMS Hospital Enterprises Private Limited	India	-	-	-	-	-	74%
KIMS Swastha Private Limited	India	100%	100%	99.98%	-	-	-
KIMS Cuddles Private Limited	India	100%	100%	-	-	-	-
KIMS Sahariah Healthcare Private Limited	India	99.90%	99.90%	-	-	-	-
KIMS Hospitals Private Limited	India	100%	100%	99.80%	99.80%	-	-
KIMS Hospital (Bhubaneswar) Private Limited	India	99.99%	99.99%	-	-	-	-

Krishna Institute of Medical Sciences Limited

Annexure - IV (continued)

2 Significant accounting policies (continued)

List of Associate with percentage of holding considered in Consolidated Financials Statements

Name of the Associate	Country of incorporation	Proportion of ownership/ voting power as at 30 September 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2016 (in %)	Proportion of ownership/ voting power as at 31 March 2015 (in %)	Proportion of ownership/ voting power as at 31 March 2014 (in %)	Proportion of ownership/ voting power as at 31 March 2013 (in %)
Arunodaya Hospitals Private Limited ('Arunodaya')	India	-	-	-	-	-	26%
KIMS Hospital Enterprises Private Limited	India	43.75%	46.77%	46.12%	42.75%	-	-

List of Joint Venture with percentage of holding considered in Consolidated Financials Statements.

Name of the Joint Venture	Country of incorporation	Proportion of ownership/ voting power as at 30 September 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2016 (in %)	Proportion of ownership/ voting power as at 31 March 2015 (in %)	Proportion of ownership/ voting power as at 31 March 2014 (in %)	Proportion of ownership/ voting power as at 31 March 2013 (in %)
KIMS Wardak Diagnostic Centre Private Limited	Afghanistan	-	-	-	-	25%	25%

b. Use of estimates

The preparation of the Restated Consolidated Financial Information in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

c. Current and non-current classification

All assets and liabilities are classified into current and non-current.

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 normal operating cycle;

ii. it is held primarily for the purpose of being traded;

iii. it is expected to be realised within 12 months after the reporting date; or

iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. 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 settled in the normal operating cycle;

ii. It is held primarily for the purpose of being traded;

iii. It is due to be settled within 12 months after the reporting date; or

iv. The Group, associate and joint venture does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Group, associate and joint venture has ascertained its operating cycle as twelve months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2 Significant accounting policies (continued)

d. Fixed assets and depreciation

Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation, impairment losses if any. The cost of Property, plant and equipment comprises the purchase price, non-refundable taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of Property, plant and equipment acquired but not ready for their intended use as at the balance sheet date are disclosed as capital work-in-progress. Indirect expenditure including borrowing cost to the extent incidental to construction of Property, plant and equipment is disclosed under expenditure during construction period and will be allocated to Property, plant and equipment on being put to use.

The Group, associate and joint venture provides depreciation under straight line method on Property, plant and equipment, other than leasehold land and assets costing less than INR 0.005 millions based on the useful life specified in schedule II of the Companies Act, 2013, as in the opinion of the Management, the same reflects the estimated useful life. Depreciation is calculated on pro-rata basis from the date on which the assets are ready for use or till the date the assets are sold or disposed off.

Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised. Leasehold improvements are depreciated on straight line method over the period of the lease agreement or the estimated useful life, whichever is lower. Assets costing less than INR 0.005 millions based on internal assessment and materiality the Management has estimated that the same shall be depreciated in the year of purchase.

Losses arising from retirement or gains or losses arising from disposal of Property, plant and equipment which are carried at cost are recognised in the Consolidated statement of profit and loss.

Intangible assets

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets under development are capitalised only if the Group, associate and joint venture is able to establish control over such assets and expects future economic benefit will flow to the Group, associate and joint venture. Intangible assets are amortised in the Consolidated statement of profit and loss over their estimated useful lives from the date they are available for use based on the expected pattern of economic benefits of the asset. Accordingly, Software is being amortised on straight line basis over a period of three to six years.

e. Borrowing cost

Borrowing cost directly attributable to acquisition of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f. Investments

Investments are classified as current investments if the Management does not intend to hold the investments for more than one year. Investments other than current investments are classified as long-term investments.

Long-term investments are carried at cost. Provision is made, wherever necessary, for any diminution, other than temporary, in the value of investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Consolidated statement of profit and loss.

g. Inventories

Inventories comprising of medical consumables and pharmacy items are valued at the lower of cost or net realisable value. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition and is determined based on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

2 Significant accounting policies (continued)

h. Employee benefits

Defined contribution plan

The Group and associate makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme and the contribution is recognised as an expense in the Consolidated statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

The Group and associate provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under a scheme administered by the Life Insurance Corporation of India (Group Gratuity scheme) and the contributions made by the Group and associate to the scheme are recognised in statement of profit and loss. The liability recognised in the Balance Sheet in respect of defined benefit plans based on actuarial valuations, is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The calculation of the obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising during the year are immediately recognised in the Consolidated statement of profit and loss.

Compensated absences

Compensated absences, is a long-term employee benefit, and accrued for the Holding Company based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by qualified independent actuary. Actuarial gains and losses arising during the year are immediately recognised in the Consolidated statement of profit and loss.
In case of subsidiaries and associate, provision for un-availed compensated absence are calculated on actual basis, as per eligibility and recognised in the Consolidated statement of profit and loss.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

i. Revenue recognition

(i) Income from hospital services is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered, to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. Revenue is recognised net of discounts and concessions given to the patients.
Revenue from sale of pharmacy is recognised when all significant risk and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.
(ii) Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of the fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received. Application processing fees are recognised as revenue on receipt of the fees.
(iii) Revenue from sale of electricity generated from wind power is recognised on accrual basis as per the terms of the power purchase agreement entered into with Tamil Nadu Electricity Board.
(iv) Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method.
(v) Dividend income is recognised when the unconditional right to receive the payment is established.

j. Income tax

Income tax expense comprises of current tax, deferred tax and Minimum Alternate Tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Group, associate and joint venture.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and is written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off under governing taxation laws and the taxation laws permit the enterprise to make or receive a single net payment.

Minimum Alternate Tax (MAT)

Minimum Alternative Tax (‘MAT’) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2 Significant accounting policies (continued)

k. Earnings per share (EPS)

Basic earnings per share is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

l. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period/year are recognised in the Consolidated statement of profit and loss.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the Consolidated statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

As per the notification issued by the Ministry of Corporate Affairs vide notification dated 31 March 2009 and subsequent notification issued dated 29 December 2011, the Group has adjusted exchange differences arising on reporting of long term foreign currency monetary items to the cost of the asset, where such long term foreign currency monetary items related to acquisition of a depreciable capital asset (whether purchased within or outside India) and has depreciated such foreign exchange gain / losses over the asset's balance useful life.

m. Cash flow statement

Cash flows are reported using the indirect method, whereby consolidated net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows of the Group and joint venture are segregated separately from regular revenue generating, investing and financing activities.

n. Operating lease

Assets acquired under leases other than finance leases are classified as operating leases. There are no non-cancellable operating or finance leases. Lease payments made under cancellable operating leases are disclosed as rent and the same are recognised as an expense in the Consolidated statement of profit and loss. Initial direct costs incurred is recognised in the Consolidated statement of profit and loss over the period of the lease.

Lease income from operating leases is recognised in the restated consolidated summary statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

o. Impairment of assets

The Group, associate and joint venture assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment has been recognised.

p. Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, there exists present 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 recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liability do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, any impairment loss on the assets associated with that contract is recognised.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

q. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Group and joint venture considers all highly liquid investments with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

1. Impact of material adjustments

The summary of the adjustments made to the audited consolidated financial statements for the respective period/years and its effect on the profits/ (losses) of the Group, associate and joint venture for respective period/years is provided below:

INR in Millions

Particulars	Note	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Net Profit after tax as per audited statement of profit and loss		178.09	322.21	225.42	114.06	67.48	179.58
Adjustments on account of:							
Trade receivables written off	3(a)	-	6.11	23.61	(1.99)	(20.23)	0.74
Advances written off	3(b)	-	-	10.00	-	-	-
Tax expenses - pertaining to earlier years	3(c)	-	1.57	1.92	(1.62)	0.32	(0.82)
Depreciation as per Companies Act 2013	3(d)	-	-	-	-	1.87	(1.07)
Liabilities no longer required written back	3(e)	-	-	(2.44)	(6.95)	2.78	(6.28)
Interest income on income tax refunds	3(f)	-	(2.96)	(3.41)	4.69	1.56	0.12
MAT credit written off	3(g)	-	-	20.03	-	(11.12)	(8.91)
Change in share of profits from Associate on account of restatement (Arunodaya Hospitals Private Limited)	3(h)	-	-	-	-	4.92	3.01
Restatement of depreciation due to change in accounting policy	3(i)	-	-	-	(37.66)	-	-
Changes in minority interest due to restatement	3(j)	-	(1.49)	(0.10)	(3.40)	(0.07)	-
Restatement of Goodwill (Arunodaya Hospital Private Limited)	3(k)	-	-	-	-	10.23	-
Total impact of the adjustments		**-**	**3.23**	**49.61**	**(46.93)**	**(9.74)**	**(13.21)**
Tax impact on adjustments	3(l)	-	(0.12)	8.88	11.05	0.40	(23.21)
Total adjustments		**-**	**3.35**	**40.73**	**(57.98)**	**(10.14)**	**10.00**
Profit after tax, as restated		**178.09**	**325.56**	**266.15**	**56.08**	**57.34**	**189.58**

2. Restatement adjustments made in the audited opening balance of Surplus in the Statement of profit and loss as at 1 April 2012

INR in Millions

Particulars	Note	Amount
Surplus in the Statement of profit and loss as at 1 April 2012		**870.73**
Material items relating to previous years		
Trade receivables written off	4(a)	(8.24)
Advances written off	4(b)	(10.00)
Tax expenses - pertaining to earlier years	4(c)	(1.37)
Depreciation as per Companies Act 2013	4(d)	(42.87)
Liabilities no longer required written back	4(e)	13.51
Change in share of profits from Associate on account of restatement (Arunodaya Hospitals Private Limited)	4(h)	0.84
Total impact of the adjustments		**(48.13)**
Tax impact on adjustments	4(l)	11.49
Total adjustments		**(36.64)**
Surplus in the statement of profit and loss as at 1 April 2012		**834.09**

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

3. Explanatory notes for the restatement adjustments

a. Trade receivables written off
Trade receivables written off were adjusted in arriving at the profits for the years to which they relate irrespective of the period/year in which the event triggering the profit or loss has occurred.

b. Advances written off
Advances written off were adjusted in arriving at the profits for the years to which they relate irrespective of the period/year in which the event triggering the profit or loss has occurred.

c. Tax expenses pertaining to earlier years
Consequent to completion of income-tax assessment for certain years, the Group and associate paid additional taxes/ received additional refund which were recorded in the year of completion of such assessments. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to.

d. Depreciation as per Companies Act, 2013
Pursuant to the notification of Schedule II of the Companies Act, 2013 ("the 2013 Act"), by the Ministry of Corporate Affairs effective 1 April 2014, the Management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the 2013 Act, for companies incorporated in India. Consequently, the carrying amount as at 1April 2014 is being depreciated over the revised remaining useful life of the asset. The carrying value of INR 41.90 millions in case of assets with nil revised remaining useful life as at 1 April 2014 was reduced from the retained earnings as at such date. The same has been adjusted in the respective years.

e. Liabilities no longer required written back
During each of the years, the Group and associate reversed certain liabilities which were considered as no longer payable and recognised as other income. Since, these were relating to earlier years, the reversal has been now reflected in respective year's liabilities no longer required written back under other income.

f. Interest income on income-tax refund
Interest income on income-tax refund has been restated to the period for which it has been received.

g. MAT credit written off
MAT credit written off has been adjusted in the respective period/years in which the MAT credit was recognised.

h. Change in share of profit from Associate on account of restatement
Share of profit from associates has been changed as per the restatement done for the associate Arunodaya Hospitals Private Limited.

i. Restatement of depreciation due to change in accounting policy
During the year ended 31 March 2014 Arunodaya Hospitals Private Limited became subsidiary of the Company. Reserves has been adjusted for the depreciation impact for uniform accounting policy.

j. Changes in minority interest due to restatement
During the year ended 31 March 2014 Arunodaya Hospitals Private Limited became subsidiary of the Company. Minority share have been adjusted for the depreciation impact due to uniform accounting policy.

k. Restatement of Goodwill
Goodwill write off has been adjusted in the year of its recognition.

l. Tax expense
Tax effects of the above restatement adjustments have been adjusted in the respective years.

4. Material regroupings
Appropriate adjustments have been made in the Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profits and losses and Restated Consolidated Summary Statement of Cash Flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the six months period ended 30 September 2017, prepared in accordance with Schedule III of the Companies Act 2013, and the requirements of the SEBI Regulations.

5. Non-adjusting items
In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 ("the CARO 2003 Order") issued by the Central Government of India under sub-section (4A) of Section 227 of Companies Act 1956 on the standalone financial statements as at and for the financial years ended 31 March 2013 and 31 March 2014, Companies (Auditor's Report) Order, 2015 ("the CARO 2015 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone and consolidated financial statements as at and for the financial year ended 31 March 2015 and the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone financial statements as at and for the financial years ended 31 March 2016 and 31 March 2017 respectively. Certain statements/comments included in audit opinion on the consolidated and standalone financial statements and the CARO, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

Krishna Institute Of Medical Sciences Limited
Financial Year: 2012-13

Emphasis of Matter in Independent Auditor's Report

Without qualifying our opinion, we draw attention to note 2.2 in the financial statements wherein pursuant to a scheme of arrangement as described in note 2.29, the Company has included in 'Surplus i.e., balance in Statement of Profit and Loss', net profit of Bollineni Heart Centre Limited ('transferor company") amounting INR 37.66 millions and Bollineni Ramanaiah Memorial Hospital Private Limited ("demerged company") amounting INR 24.98 Millions for the year ended 31 March 2012. We did not audit the financial statements and other financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for the year ended 31 March 2012 and they were audited by other auditors whose reports have been furnished to us and they have expressed an unmodified opinion on those financial statements.

Clause (i)(a) of the CARO 2003 Order
The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company is in the process of updating full particulars of fixed asset register for the individual items of fixed assets transferred/taken over from the transferor/demerged company under the scheme of arrangement.

Clause (iv) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventory and fixed assets are for Company's specialised requirements and similarly certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of pharmacy items and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in the internal control system.

Clause (v) (b) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements referred to in point (a) above and exceeding the value of INR 0.50 Millions with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for certain services availed which are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.

Clause (ix) (a) and (b) of the CARO 2003 Order
a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Service tax, Sales tax, Professional tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases in depositing Income taxes, Luxury tax, Employees' State Insurance and Provident fund dues. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Income tax, Luxury tax, Service tax, Customs duty, Excise duty, Professional tax and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of Service tax, Customs duty, Income tax and Sales tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Luxury tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the Statute	Nature of Dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	11.78	1.47	2007-08	Appellate Deputy Commissioner, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Appellate Deputy Commissioner, Hyderabad

*Interest will be levied separately as applicable.
As explained to us, the Company did not have any dues on account of Wealth tax.

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

Clause (xi) of the CARO 2003 Order

In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to its bankers. Refer Appendix I for the period and amount of delays. The Company has not defaulted in repayment of dues to any financial institutions. The Company did not have any debentures outstanding during the year.

Appendix 1 for Clause (ix)

Details of defaults in payment of principal on term loans to banks

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
Andhra Bank	38.40	31-Mar-13	10-Apr-13	10
Andhra Bank	14.50	31-Mar-13	16-Apr-13	16
Andhra Bank	23.50	31-Mar-13	25-Apr-13	25
Corporation bank	5.69	31-Mar-13	3-Apr-13	3
State Bank of Hyderabad	25.40	31-Mar-13	25-Apr-13	25
Total	**107.49**			

Details of defaults in payment of interest on term loans to banks

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
Andhra Bank	2.28	31-Jan-13	9-Apr-13	68
Andhra Bank	2.38	28-Feb-13	1-Apr-13	32
Andhra Bank	2.79	31-Mar-13	10-Apr-13	10
Andhra Bank	5.34	31-Jan-13	9-Apr-13	68
Andhra Bank	5.06	28-Feb-13	10-Apr-13	41
Andhra Bank	5.31	31-Mar-13	10-Apr-13	10
Andhra Bank	8.47	31-Jan-13	9-Apr-13	68
Andhra Bank	8.29	28-Feb-13	10-Apr-13	41
Andhra Bank	8.15	31-Mar-13	10-Apr-13	10
Andhra Bank	0.08	20-Mar-13	9-May-13	50
Corporation Bank	0.80	31-Mar-13	3-Apr-13	3
State Bank of Hyderabad	3.36	31-Mar-13	25-Apr-13	25
Total	**52.31**			

Details of delays in repayment of principal and interest against the borrowing facilities availed from banks and fallen due during the year ended 31 March 2013, but repaid before 31 March 2013 are as follows:

INR in Millions

Name	Principal amount	Delay (in days)	Interest amount	Delay (in days)
Andhra Bank	115.40	44-87	50.93	4- 92
Andhra Bank	38.00	78-87	56.17	4- 92
Andhra Bank	9.02	4-73	1.52	7- 83
Andhra Bank	-	-	0.11	5- 35
State Bank of Hyderabad	60.82	2-108	42.88	1- 22
Corporation Bank	17.06	20-49	10.24	3- 42
Total	**240.30**		**161.85**	

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements
Financial Year: 2013-14

Emphasis of Matter in Independent Auditor's Report
We draw attention to note 2.2 in the financial statements wherein pursuant to a scheme of arrangement as described in note 2.29, the Company had included in the previous financial year in 'Surplus i.e., balance in Statement of Profit and Loss', net profit of Bollineni Heart Centre Limited ('transferor company") amounting Rs.37.66 Millions and Bollineni Ramanaiah Memorial Hospital Private Limited ("demerged company") amounting INR 24.98 Millions for the year ended 31 March 2012. We did not audit the financial statements and other financial information of Bollineni Heart Centre Limited and Bollineni Ramanaiah Memorial Hospital Private Limited for the year ended 31 March 2012 and they were audited by other auditors whose reports have been furnished to us and they have expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of such matter.

Clause (iv) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventory and fixed assets are for Company's specialised requirements and similarly certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of pharmacy items and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (v) (b) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements referred to in point (a) above and exceeding the value of INR 0.50 Millions with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for certain services availed which are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.

Clause (ix) (a) and (b) of the CARO 2003 Order
a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Service tax, Provident Fund, Income-tax, Sales tax, Professional tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases in depositing Luxury tax and Employees' State Insurance dues. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Cess and Wealth tax.

b) According to the information and explanations given to us, there are no dues of Service tax, Customs duty and Income-tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Sales tax and Luxury tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	-	2009-10	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Sales tax	1.76	0.22	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad

*Interest will be levied separately as applicable.
As explained to us, the Company did not have dues on account of wealth tax.

Clause (xi) of the CARO 2003 Order
In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to its bankers. Refer Appendix I for the period and amount of delays. The Company did not have any dues to any financial institutions and did not have any debentures outstanding during the year.

Appendix - I for Clause: xi
Details of defaults in payment of principal on term loans to banks:

INR in Millions

Name	Amount	Due date	Amount paid	Payment date	Delay(in days)
Andhra Bank	38.20	31-Mar-14	18.00	3-Apr-14	3
			15.00	24-May-14	54
			3.20	27-May-14	57
			2.00	28-May-14	58
Total	**38.20**		**38.20**		

Details of defaults in payment of interest on term loans to banks:

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
Andhra Bank	6.72	31-Mar-14	3-Apr-14	3
Andhra Bank	4.00	31-Mar-14	3-Apr-14	3
Total	**10.72**			

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

Details of delays in repayment of principal and interest against the borrowing facilities availed from banks and fallen due during the year ended 31 March 2014, but repaid before 31 March 2014 are as follows:

INR in Millions

Name	Principal amount	Delay (in days)	Interest amount	Delay (in days)
Andhra Bank	228.00	27-88	111.47	3-88
Andhra Bank	5.98	42-62	0.45	5-73
Andhra Bank	-	-	28.53	2-69
Andhra Bank	-	-	43.13	3-90
Axis Bank	0.06	14	0.01	1-14
HDFC Bank	21.48	1-15	5.99	1-15
HDFC Bank	0.64	1-2	0.06	1-2
State Bank of Hyderabad	-	-	9.05	1-13
Corporation Bank	5.69	4	3.44	2-7
ICICI Bank	-	-	20.68	4-7
Total	**261.85**		**222.81**	

Clause (xvii) of the CARO 2003 Order

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the short-term funds amounting to Rs.89.26 Millions have been used for long-term purposes.

Financial Year: 2014-15

Clause (iv) of the CARO 2015 Order

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventory and fixed assets are for Company's specialised requirements and similarly certain pharmacy items sold and services rendered are for specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and with regard to the sale of pharmacy items and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in the internal control system during the course of the audit.

Clause (vii) (a) and (b) of the CARO 2015 Order

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Income tax, Value added tax, duty of customs, Luxury tax, Sales tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in depositing Provident Fund, Service tax and Professional tax. As explained to us, the Company did not have any dues on account of duty of excise, Wealth tax and Cess.

(b) According to the information and explanations given to us, there are no dues of duty of customs, Sales tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax and service tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	-	2008-09	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	-	2009-10	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	13.50	2.41	July 2010 to December 2010	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	18.09	6.49	July 2010 to April 2011	CESTAT, Bangalore

*Interest will be levied separately as applicable.

As explained to us, the Company did not have any dues on account of wealth tax, duty of excise and Cess.

Clause (ix) of the CARO 2015 Order

In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to its bankers. Refer Appendix I for the period and amount of delays. The Company did not have any dues to any financial institutions and did not have any debentures outstanding during the year.

Appendix I for clause ix

Details of delays in payment of interest on term loans to banks

INR in Millions

Name	Amount	Due date	Payment date	Delay (in days)
ICICI Bank	4.00	30-Apr-14	3-May-14	3
ICICI Bank	3.80	30-Apr-14	5-May-14	5
Andhra Bank	6.17	30-Apr-14	24-May-14	24
Andhra Bank	3.78	30-Apr-14	28-May-14	28
Andhra Bank	0.24	31-May-14	9-Jun-14	9

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements
Financial Year: 2015-16

Clause (vii) (a) and (b) of the CARO 2016 Order
a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Income-tax, Value added tax, Duty of Custom, Luxury tax, Sales tax, Provided Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in depositing Service tax. As explained to us, the company did not have any dues on account of Duty of Excise and Cess.

b) According to the information and explanations given to us, there are no dues of Sales tax, duty of customs, and duty of Excise which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax, Income tax and service tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the Statute	Nature of Dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	-	2008-09	Appellate Deputy Commissioner, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	13.54	6.77	2009-10	Appellate Deputy Commissioner, Hyderabad
A.P tax on Luxuries Act, 1987	Luxury tax*	12.61	-	2010-11	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	13.50	2.41	July 2010 to December 2010	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	18.09	6.49	July 2010 to April 2011	CESTAT, Bangalore

*Interest will be levied separately as applicable.

Financial Year: 2016-17

Clause (vii) (a) and (b) of the CARO 2016 Order
a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Income tax, Service tax, Duty of Custom, Value added tax, Luxury tax, Provident Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Duty of Excise and Cess.

b) According to the information and explanations given to us, there are no dues of Income-tax and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax and Service tax have not been deposited by the Company on account of disputes:

INR in Millions

Name of the statute	Nature of dues	Amount disputed	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
A.P. tax on Luxuries Act, 1987	Luxury tax*	2.46	1.22	2004-05	Honorable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
A.P. tax on Luxuries Act, 1987	Luxury tax*	5.64	2.79	2005-06	Honorable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
A.P. tax on Luxuries Act, 1987	Luxury tax*	8.04	3.98	2006-07	Honorable High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
A.P. tax on Luxuries Act, 1987	Luxury tax*	11.78	6.62	2007-08	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	14.10	7.05	2008-09	Sales Tax Appellate Tribunal, Hyderabad
A.P. tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	-	2008-09	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	13.54	6.77	2009-10	Appellate Deputy Commissioner, Hyderabad
A.P. tax on Luxuries Act, 1987	Luxury tax*	12.61	-	2010-11	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value added tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty*	13.50	2.41	July 2010 to December 2010	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	18.09	6.49	July 2010 to April 2011	CESTAT, Bangalore
Finance Act, 1994	Service tax and penalty*	28.00	1.05	April 2011 to March 2014	Commissioner of Service tax

* Interest will be levied separately as applicable.
As explained to us, the Company did not have any dues on account of Duty of Excise, Sales tax and Cess.

Arunodaya Hospitals Private Limited

Financial Year: 2012-13

Qualification in Independent Auditors' Report

1) Accounting for expenditure/ liability towards compensated absences, short-term and post-employment benefits in variance to the methods prescribed by Accounting Standard AS-15 on employee benefits, non-ascertainment of the amount, consequent non-provision and non-compliance with the requirements of the said standard.
2) Reference is drawn to Note No. 2.5 in the audited financial statements regarding non-confirmation of balances under various heads, effect of which could not be ascertained.

Clause (ix) (a) of the CARO 2003 Order
According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also management representations undisputed statutory dues of Income-tax and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2013 for a period of more than six months from the date of becoming payable except the following:
-TDS Payable amounting to INR 0.006 millions
-Service tax amounting of INR 0.068 millions

Krishna Institute of Medical Sciences Limited

Annexure - V

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

KIMS Hospital Enterprises Private Limited

Financial Year: 2013-14

Clause (ix) (a) of the CARO 2003 Order
According to the records of the company, the Company is generally regular in depositing Provident Fund, Service Tax, Sales Tax dues with the appropriate authorities however there were certain delays in depositing the statutory dues with the authorities observed in a few months. There are no amount outstanding in respect of Income tax, Sales tax, Service tax, Customs Duty and Excise Duty dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they became payable.

Clause (x) (a) of the CARO 2003 Order
The Company does not have any accumulated losses at the end of the financial year and has incurred cash loss of Rs 39.27 Millions during the current financial year covered by audit.

Financial Year: 2014-15

Clause (vii) (a) of the CARO 2015 Order
According to the records of the Company, the company is generally regular in depositing Provident Fund, Service Tax, Income-tax, Sales Tax dues with the appropriate authorities though there has been a delay in some cases in depositing provident fund. There are no amount outstanding in respect of Income Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they became payable.

Financial Year: 2015-16

Clause (vii) (a) of the CARO 2016 Order
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Income tax, Value added tax, Duty of Customs, Luxury tax, Sales tax, Provident Fund, Professional tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in depositing Service Tax. As explained to us, the company did not have any dues on account of Duty of Excise and Cess.

Financial Year: 2016-17
Clause (vii) (a) of the CARO 2016 Order
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Provident Fund, Service tax, Income tax, Value added tax, Luxury tax, Duty of Customs and other material statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Excise, Sales tax and Cess.

Krishna Institute of Medical Sciences Limited

Annexure - VI
Notes to Restated Consolidated Financial Information

1. Share capital

INR in Millions, except share details

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Authorised*						
Equity shares of INR 10 each	950.00	950.00	710.00	150.00	150.00	150.00
	950.00	**950.00**	**710.00**	**150.00**	**150.00**	**150.00**
Issued, subscribed and paid-up						
Equity shares of INR 10 each, fully paid-up	716.25	716.25	704.04	88.00	56.11	38.25
Total	**716.25**	**716.25**	**704.04**	**88.00**	**56.11**	**38.25**

* During the year ended 31 March 2013, the Authorised share capital increased on account of Scheme of Arrangement as approved by the Honourable High Court of Andhra Pradesh in respect of which the requisite forms have been filed subsequent to 31 March 2013.

2. Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period/year

Particulars	As at 30 September 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the commencement of the period/year	71,624,596	716.25	70,403,856	704.04	8,800,482	88.00	5,610,862	56.11	3,825,484	38.25	3,825,484	38.25
Add: Shares issued during the period/year	-	-	1,220,740	12.21	-	-	256,126	2.56	1,275,300	12.75	-	-
Add: Shares issued as bonus shares	-	-	-	-	61,603,374	616.04	2,933,494	29.33	510,078	5.11	-	-
Shares outstanding at the end of the period/year	**71,624,596**	**716.25**	**71,624,596**	**716.25**	**70,403,856**	**704.04**	**8,800,482**	**88.00**	**5,610,862**	**56.11**	**3,825,484**	**38.25**

3. Particulars of shareholders holding more than 5% equity shares

Name of shareholder	As at 30 September 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
India Advantage Fund S31	19,663,728	27.45	19,663,728	27.45	19,663,728	27.93	2,457,966	27.93	-	-	-	-
Dr. B. Bhaskar Rao	19,756,664	27.58	19,756,664	27.58	19,756,664	28.06	2,469,583	28.06	1,646,389	29.34	644,617	16.85
B. Seenaiah	5,330,408	7.44	5,330,408	7.44	5,330,408	7.57	666,301	7.57	468,201	8.34	425,637	11.13
Bollineni Ramanaiah Memorial Hospitals Private Limited	4,800,632	6.70	4,800,632	6.70	4,800,632	6.82	600,079	6.82	433,693	7.73	394,266	10.31
B. Sujatha	-	-	-	-	-	-	-	-	299,595	5.34	272,359	7.12
B. Aishwarya	-	-	-	-	-	-	-	-	-	-	203,278	5.31
IL & FS Trust Company Limited A/C Milestone Private Equity Limited	-	-	-	-	-	-	-	-	1,072,682	19.12	975,165	25.49

4. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

Particulars	30 September 2017	31 March 2017	31 March 2016*	31 March 2015#	31 March 2014@	31 March 2013
Equity shares of INR 10 each, fully paid up, allotted on 27 June 2013 pursuant to the Scheme of Arrangement	-	-	-	-	1,275,300	-
Equity shares of INR 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	61,603,374	2,933,494	510,078	-

* During the year ended 31 March 2016 the bonus shares were issued by the Company in 2 tranches utilising securities premium:
1) Tranche 1 - one equity share for every 1 share held on 19 August 2015
2) Tranche 2 - three equity shares for every 1 share held on 20 January 2016

\# During the year 2014-15 the bonus shares were issued by the Company in the proportion of one equity share for every two equity shares held.

@ During the year 2013-14 the bonus shares were issued by the Company in the proportion of one equity share for every ten equity shares held.

5. The Company has not bought back any shares during the period of five years immediately preceding the last balance sheet date.

6. 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. The equity shares 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 its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.
Failure to pay any amount called up on shares may lead to forfeiture of the shares.
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.

7. Shares to be issued pursuant to the Scheme of Arrangement represent 1,275,300 equity shares of INR 10 each fully paid up as per Scheme of Arrangement as approved by the Honourable High Court of Andhra Pradesh. The said shares were allotted on 27 June 2013. Refer Annexure XXX - Note 6.

Krishna Institute of Medical Sciences Limited

Annexure - VII
Notes to Restated Consolidated Financial Information

Reserves and surplus

INR in Millions

	Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(a)	**Securities premium account**						
	Balance at the commencement of the period/year	779.64	486.66	1,119.82	786.28	791.38	791.38
	Add: Premium on new shares issued during the period/year	-	292.98	-	362.87	-	-
	Less: Utilised for share issue expenses	-	-	17.13	-	-	-
	Less: Utilised for issue of bonus shares	-	-	616.03	29.33	5.10	-
	Balance at the end of the period/year	**779.64**	**779.64**	**486.66**	**1,119.82**	**786.28**	**791.38**
(b)	**Adjustment reserve (refer Annexure XXX- Note 6)**						
	Balance at the beginning of the period/year	57.64	57.64	57.64	57.64	57.64	57.64
	Balance at the end of the period/year	**57.64**	**57.64**	**57.64**	**57.64**	**57.64**	**57.64**
(c)	**Surplus i.e. balance in Restated Consolidated Summary Statement of Profit and Loss**						
	Balance at the beginning of the period/year	1,710.79	1,385.23	1,119.08	1,063.00	1,023.67	834.09
	Change in minority share due to Restatement of depreciation due to change in estimates (life)	-	-	-	-	(18.01)	-
	Add: Profit for the period/year	178.09	325.56	266.15	56.08	57.34	189.58
	Balance at the end of the period/year	**1,888.88**	**1,710.79**	**1,385.23**	**1,119.08**	**1,063.00**	**1,023.67**
(d)	**Foreign currency translation reserve**						
	Balance at the beginning of the period/year	-	-	-	0.17	(0.29)	(0.07)
	Add: Movement during the period/year	-	-	-	(0.17)	0.46	(0.22)
	Closing balance at the end of period/year	**-**	**-**	**-**	**-**	**0.17**	**(0.29)**
	Total (a) + (b) + (c) + (d)	**2,726.16**	**2,548.07**	**1,929.53**	**2,296.54**	**1,907.09**	**1,872.40**

Krishna Institute of Medical Sciences Limited

Annexure - VIII A
Notes to Restated Consolidated Financial Information

Long-term borrowings

INR in Millions

Particulars	As at 30 September 2017			As at 31 March 2017			As at 31 March 2016			As at 31 March 2015			As at 31 March 2014			As at 31 March 2013		
	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total	Non-current	Current*	Total
Secured																		
Term loans																		
From banks	1,741.51	531.49	2,273.00	1,814.55	630.89	2,445.44	1,664.04	583.68	2,247.72	1,872.58	410.28	2,282.86	1,791.39	327.36	2,118.75	1,428.03	625.86	2,053.89
From other parties	89.32	63.47	152.79	107.56	70.47	178.03	14.36	50.77	65.13	64.68	87.58	152.26	172.91	98.97	271.88	171.42	90.93	262.35
Total secured loans (A)	**1,830.83**	**594.96**	**2,425.79**	**1,922.11**	**701.36**	**2,623.47**	**1,678.40**	**634.45**	**2,312.85**	**1,937.26**	**497.86**	**2,435.12**	**1,964.30**	**426.33**	**2,390.63**	**1,599.45**	**716.79**	**2,316.24**
Unsecured																		
Deferred payment liabilities	66.03	37.95	103.98	47.61	14.46	62.07	63.86	13.10	76.96	70.14	6.38	76.52	76.29	1.37	77.66	-	-	-
Total unsecured loans (B)	**66.03**	**37.95**	**103.98**	**47.61**	**14.46**	**62.07**	**63.86**	**13.10**	**76.96**	**70.14**	**6.38**	**76.52**	**76.29**	**1.37**	**77.66**	**-**	**-**	**-**
Total (A) + (B)	**1,896.86**	**632.91**	**2,529.77**	**1,969.72**	**715.82**	**2,685.54**	**1,742.26**	**647.55**	**2,389.81**	**2,007.40**	**504.24**	**2,511.64**	**2,040.59**	**427.70**	**2,468.29**	**1,599.45**	**716.79**	**2,316.24**

* Refer current maturities of long term borrowings under Annexure XIII "Other current liabilities".

Aggregate amount of secured loans (including current maturities of long term borrowings) guaranteed by director and others	2,382.47	2,618.56	2,262.65	2,270.74	1,172.05	1,962.15

Notes:

1. Refer Annexure VIII B for terms and conditions of the secured and unsecured borrowings.
2. Details of continuing defaults as on 31 March 2013 is disclosed below. There were no continuing defaults as on balance sheet date for year ended 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for the six months period ended 30 September 2017.

INR in Millions

Name of the bank	Amount	Due date	Delay in days	Nature of dues
Andhra Bank	2.28	31-Jan-13	60	Interest
Andhra Bank	2.38	28-Feb-13	32	Interest
Andhra Bank	5.34	31-Jan-13	60	Interest
Andhra Bank	5.06	28-Feb-13	32	Interest
Andhra Bank	8.47	31-Jan-13	60	Interest
Andhra Bank	8.29	28-Feb-13	32	Interest
Total	**31.82**			

Krishna Institute of Medical Sciences Limited

Annexure - VIII B
Notes to Restated Consolidated Financial Information

Long-term borrowings

INR in Millions

S.No.	Name of the lender	Nature of borrowing	Sanctioned currency	Amount sanctioned	Amount Outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	Andhra Bank	Term loan	INR	840.00	75.84	1Y MCLR + 0.45% (spread) + 0.50% (TP)	18-March-2011	22 quarterly equal instalments commencing from quarter ended December 2012 to March 2018	Not applicable.	Not applicable.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
2	Andhra Bank	Term loan	INR	450.00	203.95	1Y MCLR + 0.45% (spread) + 0.50% (TP)	28-December-2012	22 quarterly instalments commencing from quarter ended December 2014 to March 2020	Not applicable.	Not applicable.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company . 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
3	Andhra Bank	Term loan	INR	200.00	54.87	1Y MCLR + 0.45% (spread) + 0.50% (TP)	27-June-2015	29 monthly equal instalments from December 2015 to April 2018	Not applicable.	Not applicable.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
4	Andhra Bank	Term loan	INR	150.00	119.51	1Y MCLR + 0.45% (spread) + 0.50% (TP)	26-September-2016	20 quarterly equal instalments from December 2016 to September 2021	2% of the amount prepaid.	2%	1. Second pari passu charge on unencumbered movable and immovable fixed assets of the Company both present and future along with other lenders except Rajahmundry unit fixed assets. 2. Personal guarantee of Dr. Bhaskar Rao, Mr. B.Krishnaiah, Mr. B. Seenaiah and D. Anitha. 3. Pledge of 14.10 millions shares of promoter directors. 4. Secured by second pari passu charge on the commercial land and building situated at Nellore belonging to the Company, second charge on land and building and all other fixed assets purchased for Ongole unit in slump sale and other assets purchased out of term loan.
5	Andhra Bank	Term loan	INR	500.00	493.75	1Y MCLR + 0.45% (spread) + 0.50% (TP)	26-September-2016	40 quarterly unequal instalments from March 2019 to December 2028	2% of the amount prepaid.	2%	1. Exclusive charge on land and building and all other fixed assets purchased for Ongole unit in slump sale and other assets purchased out of term loan. 2.Second charge on the current assets (present and future) pertaining to Ongole unit. 3.Secured by pledge of 14.10 millions shares of promoter directors. 4. Personal guarantee of Dr. Bhaskar Rao, Mr. B.Krishnaiah, Mr. B. Seenaiah and D. Anitha.
6	HDFC Bank Limited	Term loan	INR	90.00	40.00	9.75%	10-March-2017	Loan is repayable in monthly instalments of 7 years including 2 years door to door Principle moratorium.	2% of the amount prepaid in the loan is closed within 2 years and Nil if prepaid after 2 years.	Not applicable.	1.Secured by way of first and exclusive charge on the medical equipment out of sanctioned facility.
7	HDFC Bank Limited	Vehicle loan	INR	1.41	0.99	12.51%	29-August-2016	35 equal monthly instalments	Not applicable.	Not applicable.	Hypothecation of vehicles procured from the said loan.
8	HDFC Bank Limited	Vehicle loan	INR	1.97	1.28	9.75%	4-July-2016	36 equal monthly instalments	Not applicable.	Not applicable.	Hypothecation of vehicles procured from the said loan.

Krishna Institute of Medical Sciences Limited

Annexure - VIII B
Notes to Restated Consolidated Financial Information

Long-term borrowings (continued)

INR in Millions

S.No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount Sanctioned	Amount Outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
9	ICICI Bank	Corporate loan	INR	195.00	185.26	1Y MCLR + 1.8% (spread).	6-May-2016	60 monthly equal instalments from July 2017 to June 2022.	Not applicable.	Delay in repayment of principal installment or repayment of interest, charge or other monies due on facility default interest rate i.e.; Document rate+ 2% p.a payable monthly.	1.Secured by currents assets, both present and future of Rajahmundry hospital and collateral security by way of exclusive charge on commercial property of Rajahmundry branch. 2. Secured by personal guarantee of Dr. B. Bhaskar Rao.
10	Syndicate Bank	Term loan	INR	990.00	756.16	1Y MCLR + 0.45% (spread) + 0.50% (TP).	18-March-2015	30 quarterly unequal instalments from December 2015 to March 2023.	Not applicable.	2% p.a shall be collected on the over due sum.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of Mr. B. Krishnaiah, Dr. B. Bhaskar Rao, Mr. B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
11	Syndicate Bank	Term loan	INR	220.00	152.30	1Y MCLR + 0.45% (spread) + 0.50% (TP).	18-March-2015	26 quarterly equal instalments from December 2015 to March 2022.	Not applicable.	2% p.a shall be collected on the over due sum.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
12	Syndicate Bank	Term loan	INR	100.00	37.94	1Y MCLR + 0.45% (spread) + 0.50% (TP).	2-September-2015	29 monthly equal instalments from April 2016 to August 2018.	As applicable.	2%	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
13	Vijaya Bank	Mortgage Loan	INR	106.50	72.62	1Y MCLR + 0.45% (spread) + 0.50% (TP).	23-January-2015	22 quarterly equal instalments from December 2015 to March 2021.	1.12% on the amount prepaid / paid before the due date.	Penal interest of 2% p.a for any delayed / unpaid instalments without any notice for the same.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao., B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.

Annexure - VIII B
Notes to Restated Consolidated Financial Information

Long-term borrowings (continued)

INR in Millions

S.No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount Sanctioned	Amount Outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
14	Vijaya Bank	Term loan	INR	93.50	63.75	1Y MCLR + 0.45% (spread) + 0.50% (TP).	23-January-2015	22 quarterly equal instalments from December 2015 to March 2021.	1.12% on the amount prepaid / paid before the due date.	Penal interest of 2% p.a for any delayed / unpaid instalments without any notice for the same.	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao., B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
15	De Lage Landen Financial Services India Private Limited	Term loan	INR	37.80	34.99	11.25%	20-July-2016	42 unequal monthly installments inclusive of 6 months moratorium.	Not applicable.	Not applicable.	1. First and exclusive charge on all the assets procured through the facility. 2. Personal guarantee of the Dr. B. Bhaskar Rao. 3. Collateral security of Medical and Surgical equipments procured from the said loan.
16	De Lage Landen Financial Services India Private Limited	Term loan	INR	7.04	6.89	11.25%	9-January-2017	42 unequal monthly installments inclusive of 6 months moratorium.	Not applicable.	Not applicable.	1. First and exclusive charge on all the assets procured through the facility. 2. Personal guarantee of the Dr. B. Bhaskar Rao. 3. Collateral security of Medical and Surgical equipments procured from the said loan.
17	De Lage Landen Financial Services India Private Limited	Term loan	INR	14.99	14.82	11.25%	9-February-2017	42 unequal monthly installments inclusive of 6 months moratorium.	Not applicable.	Not applicable.	1. First and exclusive charge on all the assets procured through the facility. 2. Personal guarantee of the Dr. B. Bhaskar Rao. 3. Collateral security of Medical and Surgical equipments procured from the said loan.
18	Siemens Financial Services Private Limited	Equipment loan	INR	30.26	4.02	Ranging from 11% to 13.50% per annum.	10-September-2013	48 equal monthly instalments	2% of the principal outstanding for the first year and 1% for balance 2 years.	3% per month on the amount of monthly installments which remain unpaid on due date.	1. Exclusive charge of the assets procured by the loan. 2. Also secured by personal guarantee of Managing Director of the Company. 3. Corporate Guarantee given by KIMS Hospital Enterprises Private Limited.
19	Siemens Financial Services Private Limited	Equipment loan	INR	6.12	0.96	Ranging from 11% to 13.50% per annum.	18-December-2013	48 equal monthly instalments	4% on prepaid amount / amount outstanding.	3% per month on the amount of monthly installments which remain unpaid on due date.	1. Exclusive charge on medical equipment procured by the loan. 2. Secured by personal guarantee of Managing Director of the Company.
20	Siemens Financial Services Private Limited	Equipment loan	INR	13.55	4.26	Ranging from 11% to 13.50% per annum.	30-March-2016	24 equal monthly instalments	1st year 3% and 1% on balance tenor.	3% charges per month.	1. Exclusive charge of the assets procured by the loan. 2. Secured by personal guarantee of Managing Director of the Company.
21	Siemens Financial Services Private Limited	Equipment loan	INR	130.00	85.11	Ranging from 11% to 13.50% per annum.	24-June-2016	By way of 36 equated monthly instalments	4% on prepaid amount / amount outstanding.	3% per month on the amount of monthly installments which remain unpaid on due date.	1.Secured by way of hypothecation of Medical and Surgical equipment procured from the said loan. 2. Personal guarantee of Managing Director of the Company.
22	Siemens Financial Services Private Limited	Equipment loan	INR	4.65	1.46	Ranging from 11% to 13.50% per annum.	27-April-2016	24 unequal monthly instalments	1st year 3% and 1% on balance tenor.	3% charges per month.	1.Secured by way of hypothecation of Medical and Surgical equipment procured from the said loan. 2. Personal guarantee of Managing Director of the Company.
23	Toyota Financial Services	Vehicle loan	INR	1.05	0.28	9.75%	4-July-2015	36 equal monthly instalments	within 6 months - 6% within 7 to 24 months - 5% more than 24 months - 3%	2% charges per month.	Hypothecation of vehicles procured from the said loan.
24	Philips India Limited	Deferred payment liability for civil works	INR	77.65	53.80	12.00%	31-January-2014	84 monthly instalments	Not applicable.	2% higher than the normally applicable rate of interest.	Unsecured
25	Philips India Limited	Deferred payment liability for purchase of equipment	INR	5.25	1.04	12.00%	2-February-2015	36 equal monthly instalments	Not applicable.	3% higher than the normally applicable rate of interest.	Unsecured
26	Vattikuti Technologies Private Limited	Deferred payment liability for purchase of equipment	INR	90.00	49.14	0.00%	8-April-2017	Two equal yearly instalments starting from 15 January 2018	Not applicable.	3% higher than the normally applicable rate of interest.	Unsecured

Krishna Institute of Medical Sciences Limited

Annexure - VIII B
Notes to Restated Consolidated Financial Information

Long-term borrowings (continued)

INR in Millions

S.No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount Sanctioned	Amount Outstanding as at 30 September 2017	Rate of interest as on 30 September 2017	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
27	HDFC Bank Limited	Equipment loan	INR	40.00	0.02	Base rate + 2.75% (11.25-12.05% during the period).	17-July-2011	Repayable in 74 equated monthly instalments	Not applicable.	accrue on overdue sums @2% p.a. compounded monthly.	1. First and exclusive charge on the Medical equipment financed. 2. Commercial Property admeasuring to land area of 1,572.28 sq. yards and 1,383.75 sq. yards located in Srikakulam in the name of the subsidiary (Arunodaya Hospitals Private Limited) 3. Personal guarantees of Personal guarantee of the Managing Director of the Company and Dr. G. Someshwara Rao (Director of subsidiary - Arunodaya Hospitals Private Limited).
28	HDFC Bank Limited	Vehicle loan	INR	0.73	0.23	11.00%	23-May-2015	Repayable in 36 equated monthly instalments	Not applicable.	Not applicable.	First exclusive charge on the vehicle acquired using this loan.
29	HDFC Bank Limited	Vehicle loan	INR	1.10	0.25	11.32%	10-August-2013	Repayable in 60 equated monthly instalments	Not applicable.	Not applicable.	First exclusive charge on the vehicle acquired using this loan.
30	HDFC Bank Limited	Vehicle loan	INR	0.40	0.28	10.00%	15-September-2016	Repayable in 36 equated monthly instalments	Not applicable.	Not applicable.	First exclusive charge on the vehicle acquired using this loan.
31	HDFC Bank Limited	Equipment loan	INR	15.90	14.00	Floating interest rate of 10% (linked to 3Y MCLR) per annum with MCLR reset every year respectively.	25-January-2017	Repayable in 60 equated monthly instalments	2% on loan outstanding, if the loan foreclosure happens within 2 years and 1%, if it is closed after 2 years. Nil charges for closure, if the loan is closed by company's own funds after 1 year.	3% p.m. in the event of delay in service of interest or repayment of principal.	1. Secured by first charge on all the medical equipment acquired using this loan. 2. Personal guarantees by Dr. G. Someshwara Rao (Director of subsidiary - Arunodaya Hospitals Private Limited).

Krishna Institute of Medical Sciences Limited

Annexure - IX
Notes to Restated Consolidated Financial Information

Deferred tax

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Deferred tax assets						
Provision for employee benefits	53.43	43.91	34.14	17.09	11.61	6.61
Business loss	23.24	-	-	7.30	-	-
Provision for doubtful receivables	-	18.40	11.99	6.39	4.58	-
Others	-	-	1.18	-	-	2.86
Total (A)	**76.67**	**62.31**	**47.31**	**30.78**	**16.19**	**9.47**
Deferred tax liabilities						
Excess of depreciation allowable under Income tax law over depreciation provided in accounts	531.29	506.37	460.74	421.24	338.28	249.64
Total (B)	**531.29**	**506.37**	**460.74**	**421.24**	**338.28**	**249.64**
Total (B) - (A)	**454.62**	**444.06**	**413.43**	**390.46**	**322.09**	**240.17**

The net deferred tax liabilities comprises of:						
Deferred tax assets, net	(9.16)	(10.95)	(7.30)	-	-	-
Deferred tax liabilities, net	463.78	455.01	420.73	390.46	322.09	240.17

Krishna Institute of Medical Sciences Limited

Annexure - X
Notes to Restated Consolidated Financial Information

1. Other long-term liabilities

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Security deposits	2.10	2.10	2.10	0.09	30.68	0.19
Total	**2.10**	**2.10**	**2.10**	**0.09**	**30.68**	**0.19**

2. Long-term provisions

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits						
Gratuity (refer Annexure XXX -Note 3)	83.82	75.14	53.80	26.84	19.62	14.59
Compensated absences	-	-	-	3.56	2.77	1.26
Total	**83.82**	**75.14**	**53.80**	**30.40**	**22.39**	**15.85**

Krishna Institute of Medical Sciences Limited

Annexure - XI A
Notes to Restated Consolidated Financial Information

Short-term borrowings

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Secured						
Working capital loans from banks	174.67	114.02	163.50	155.50	200.26	84.77
Loans from others						
- Placid Limited	-	-	-	168.00	-	-
Unsecured						
Loans from related parties (refer Annexure XXVIII B)						
- Directors	-	2.74	2.74	9.64	49.79	28.74
- Other related parties	-	-	-	1.49	12.62	1.87
Loan from others	-	-	-	-	4.57	-
Total	**174.67**	**116.76**	**166.24**	**334.63**	**267.24**	**115.38**

Aggregate amount of secured loan guaranteed by directors and others	174.67	114.02	163.50	155.50	127.02	84.77

Notes:
1. Refer Annexure XI B for terms and conditions of the secured and unsecured borrowings.

Krishna Institute of Medical Sciences Limited

Annexure - XI B
Notes to Restated Consolidated Financial Information

Short-term borrowings

INR in Millions

S.No	Name of the lender	Nature of borrowings	Amount Sanctioned	Amount Outstanding as at 30 September 2017	Rate of interest	Repayment terms	Security
1	Andhra Bank	Cash credit	176.00	152.39	1Y MCLR + 0.45% (spread) + 0.50% (TP)	On demand	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
2	Syndicate Bank	Overdraft	50.00	(1.27)	1Y MCLR + 0.45% (spread) + 0.50% (TP)	On demand	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of B. Krishnaiah, Dr. B. Bhaskar Rao, B. Seenaiah and D. Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
3	Vijaya Bank	Cash credit	24.00	20.29	1Y MCLR + 0.30% (spread) + 1.55% (TP).	On demand	1. Pari passu first charge on entire movable and immovable assets (existing and future assets) of the company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property. 2. Pari passu second charge on entire fixed assets (existing and future) of the Company. 3. Personal guarantee of the Managing Director of the Company and pledge of 20% of shares of the Company held by the Managing Director and other directors of the Company. 4. Personal guarantee of Mr. B. Krishnaiah, Dr. B. Bhaskar Rao, Mr. B.Seenaiah and D.Anitha. 5. Secured by property belonging to Dr. B. Bhaskar Rao.
4	HDFC Bank	Cash credit	19.50	1.99	Base Rate + 2.75% per annum	On demand	1. First charge on current assets and all the receivables of Arunodaya Hospitals Private Limited and medical equipment funded by the bank. 2. Personal guarantee of Dr. B. Bhaskar Rao (Director of the Holding Company) and Dr. G. Someshwara Rao (Director of Arunodaya Hospitals Private Limited). 3. Collateral of commercial property of land area of 1,572.28 sq. yards and 1,383.75 sq. yards located in Srikakulam in the name of the Arunodaya Hospitals Private Limited.

Krishna Institute of Medical Sciences Limited

Annexure - XII
Notes to Restated Consolidated Financial Information

Trade payables

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Trade payables						
- total outstanding dues of micro enterprises and small enterprises (refer Annexure XXX -Note 4)	-	-	0.02	0.05	0.02	0.09
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,012.08	784.37	668.43	616.65	603.79	385.66
Total	**1,012.08**	**784.37**	**668.45**	**616.70**	**603.81**	**385.75**

Krishna Institute of Medical Sciences Limited

Annexure - XIII
Notes to Restated Consolidated Financial Information

Other current liabilities

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Current maturities of long-term borrowings (refer Annexure VIII A)	632.91	715.82	647.55	504.24	427.70	716.79
Capital creditors	13.63	38.52	8.93	40.69	472.00	466.44
Employee benefits payable	140.20	92.28	72.57	50.69	44.95	36.49
Statutory dues payable	29.91	52.58	39.51	67.46	34.96	22.67
Interest accrued and due on borrowings	-	-	-	-	10.72	52.26
Interest accrued but not due on borrowings	9.74	7.08	12.10	5.91	14.08	1.20
Book overdrafts	2.70	-	4.49	-	-	-
Advance received from patients	32.99	36.06	41.96	35.29	24.94	26.73
Reimbursement of claims payables (refer Annexure XXVIII B)	-	-	7.58	-	-	-
Retention money	1.82	2.29	5.48	7.72	7.66	6.91
Share application money pending allotment	-	-	-	-	-	17.76
Other liabilities	28.09	30.35	32.30	24.55	18.40	27.22
Total	**891.99**	**974.98**	**872.47**	**736.55**	**1,055.41**	**1,374.47**

Krishna Institute of Medical Sciences Limited

Annexure - XIV
Notes to Restated Consolidated Financial Information

Short-term provisions

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
-Provision for employee benefits						
Gratuity (refer Annexure XXX-Note 3)	3.58	3.16	3.86	1.42	1.18	0.92
Compensated absences	34.97	26.75	25.28	11.11	5.45	5.37
Total	**38.55**	**29.91**	**29.14**	**12.53**	**6.63**	**6.29**

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Consolidated Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	As at 1 April 2017	Additions	Disposals	As at 30 September 2017	As at 1 April 2017	Depreciation/ amortisation for the period	Disposals	As at 30 September 2017	As at 30 September 2017
A. Property, plant and equipment									
Freehold land	29.04	63.24	-	92.28	-	-	-	-	92.28
Leasehold land (refer note 1 below)	151.82	122.55	-	274.37	-	-	-	-	274.37
Buildings (refer note 2 below)	3,168.65	412.43	-	3,581.08	251.01	29.04	-	280.05	3,301.03
Medical and surgical equipments	2,724.21	394.68	-	3,118.89	1,197.99	108.51	-	1,306.50	1,812.39
Plant and equipments	155.49	11.96	-	167.45	43.25	5.82	-	49.07	118.38
Office equipments	38.15	8.11	-	46.26	24.01	4.77	-	28.78	17.48
Electrical equipments	454.93	32.64	-	487.57	228.77	23.15	-	251.92	235.65
Computers	102.46	11.05	-	113.51	85.62	6.48	-	92.10	21.41
Furniture and fixtures	284.48	17.31	-	301.79	131.86	14.40	-	146.26	155.53
Vehicles	39.15	9.86	-	49.01	21.56	2.24	-	23.80	25.21
Total	**7,148.38**	**1,083.83**	**-**	**8,232.21**	**1,984.07**	**194.41**	**-**	**2,178.48**	**6,053.73**
B. Intangible assets									
Software	21.93	3.41	-	25.34	7.29	2.10	-	9.39	15.95
Total	**21.93**	**3.41**	**-**	**25.34**	**7.29**	**2.10**	**-**	**9.39**	**15.95**

C. Capital work-in-progress

Particulars	As at 1 April 2017	Additions	Capitalised during the period	As at 30 September 2017
Capital work-in-progress	636.02	40.57	653.72	22.87
Total	**636.02**	**40.57**	**653.72**	**22.87**

Notes :

1. Leasehold land is in the nature of perpetual lease and is not amortised.
2. Buildings amounting to Gross block INR 49.62 millions and Net block INR 35.25 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
3. Refer Annexure XXX -Note 1 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Consolidated Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	As at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	Depreciation/ amortisation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
A. Property, plant and equipment									
Freehold land	22.18	6.86	-	29.04	-	-	-	-	29.04
Leasehold land (refer note 1 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 2 below)	3,027.48	141.17	-	3,168.65	201.05	49.96	-	251.01	2,917.64
Medical and surgical equipments	2,567.77	162.19	5.75	2,724.21	1,007.97	193.92	3.90	1,197.99	1,526.22
Plant and equipments	150.89	4.60	-	155.49	32.68	10.57	-	43.25	112.24
Office equipments	35.12	3.03	-	38.15	15.88	8.13	-	24.01	14.14
Electrical equipments	434.00	22.51	1.58	454.93	185.63	44.58	1.44	228.77	226.16
Computers	91.22	11.24	-	102.46	75.09	10.53	-	85.62	16.84
Furniture and fixtures	255.15	29.33	-	284.48	104.93	26.93	-	131.86	152.62
Vehicles	34.69	5.98	1.52	39.15	19.20	3.50	1.14	21.56	17.59
Total	**6,770.32**	**386.91**	**8.85**	**7,148.38**	**1,642.43**	**348.12**	**6.48**	**1,984.07**	**5,164.31**
B. Intangible assets									
Software	17.04	4.89	-	21.93	4.07	3.22	-	7.29	14.64
Total	**17.04**	**4.89**	**-**	**21.93**	**4.07**	**3.22**	**-**	**7.29**	**14.64**

C. Capital work-in-progress

Particulars	As at 1 April 2016	Additions	Capitalised during the year	As at 31 March 2017
Capital work-in-progress (refer note 4 below)	23.89	753.40	141.27	636.02
Total	**23.89**	**753.40**	**141.27**	**636.02**

Notes :

1. Leasehold land is in the nature of perpetual lease and is not amortised.
2. Buildings amounting to Gross block INR 49.62 millions and Net block INR 35.60 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
3. Refer Annexure XXX -Note 1 for incidental expenditure incurred during the construction period.
4. Capital work-in-progress includes INR 527.80 millions paid via slump sale agreement dated 25 October 2016 for the purchase of business undertaking from Ongole Aarogya Hospitals Private Limited.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Consolidated Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation /amortisation				Net block
	As at 1 April 2015	Additions	Disposals	As at 31 March 2016	As at 1 April 2015	Depreciation/ amortisation for the year	Disposals	As at 31 March 2016	As at 31 March 2016
A. Property, plant and equipment									
Freehold land	16.34	5.84	-	22.18	-	-	-	-	22.18
Leasehold land (refer note 2 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 3 below)	2,802.31	225.17	-	3,027.48	154.88	46.17	-	201.05	2,826.43
Medical and surgical equipments	2,535.58	79.82	47.63	2,567.77	856.50	198.81	47.34	1,007.97	1,559.80
Plant and equipments	129.63	23.34	2.08	150.89	24.78	9.94	2.04	32.68	118.21
Office equipments	32.27	2.85	-	35.12	10.25	5.63	-	15.88	19.24
Electrical equipments	426.50	7.96	0.46	434.00	141.81	44.28	0.46	185.63	248.37
Computers	81.07	10.15	-	91.22	54.16	20.93	-	75.09	16.13
Furniture and fixtures	234.64	20.68	0.17	255.15	81.20	23.77	0.04	104.93	150.22
Vehicles	29.95	7.97	3.23	34.69	18.35	3.38	2.53	19.20	15.49
Total	**6,440.11**	**383.78**	**53.57**	**6,770.32**	**1,341.93**	**352.91**	**52.41**	**1,642.43**	**5,127.89**
B. Intangible assets									
Software	10.19	6.85	-	17.04	2.00	2.07	-	4.07	12.97
Total	**10.19**	**6.85**	**-**	**17.04**	**2.00**	**2.07**	**-**	**4.07**	**12.97**

C. Capital work-in-progress

Particulars	As at 1 April 2015	Additions	Capitalised during the year	As at 31 March 2016
Capital work-in-progress	100.55	135.83	212.49	23.89
Total	**100.55**	**135.83**	**212.49**	**23.89**

Notes :

1. During the current period, foreign exchange fluctuation loss amounting to INR 0.21 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R 914(E) dated 29 December 2011.
2. Leasehold land is in the nature of perpetual lease and is not amortised.
3. Buildings amounting to Gross block INR 49.62 millions and Net block INR 36.28 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
4. Refer note Annexure XXX -Note 1 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Consolidated Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation/ amortisation for the year	Disposals	As at 31 March 2015	As at 31 March 2015
A. Property, plant and equipment									
Freehold land	11.23	5.11	-	16.34	-	-	-	-	16.34
Leasehold land (refer note 2 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 4 below)	2,258.22	544.09	-	2,802.31	115.37	39.51	-	154.88	2,647.43
Medical and surgical equipments	2,462.32	152.53	79.27	2,535.58	692.88	187.12	23.50	856.50	1,679.08
Plant and equipments	87.23	43.43	1.03	129.63	19.41	5.58	0.21	24.78	104.85
Office equipments	32.08	0.19	-	32.27	3.71	6.54	-	10.25	22.02
Electrical equipments	410.08	16.42	-	426.50	98.15	43.66	-	141.81	284.69
Computers	71.57	9.50	-	81.07	41.67	12.49	-	54.16	26.91
Furniture and fixtures	204.24	31.87	1.47	234.64	58.85	22.41	0.06	81.20	153.44
Vehicles	29.55	0.74	0.34	29.95	14.11	4.37	0.13	18.35	11.60
Total	**5,718.34**	**803.88**	**82.11**	**6,440.11**	**1,044.15**	**321.68**	**23.90**	**1,341.93**	**5,098.18**
B. Intangible assets									
Software	4.83	5.36	-	10.19	1.01	0.99	-	2.00	8.19
Total	**4.83**	**5.36**	**-**	**10.19**	**1.01**	**0.99**	**-**	**2.00**	**8.19**

C. Capital work-in-progress

Particulars	As at 1 April 2014	Additions	Capitalised during the year	As at 31 March 2015
Capital work-in-progress	509.40	219.48	628.33	100.55
Total	**509.40**	**219.48**	**628.33**	**100.55**

Notes :

1. During the current year, foreign exchange fluctuation loss amounting to INR 17.78 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R 914(E) dated 29 December 2011.
2. Leasehold land is in the nature of perpetual lease and is not amortised.
3. During the current year, freehold land having a market value of INR 35.42 millions has been transferred by the promoters to the Company without consideration.
4. Buildings amounting to Gross block INR 49.62 million and Net block INR 36.96 millions are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
5. Refer Annexure XXX-Note 1 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Consolidated Financial Information

Fixed assets

INR in Millions

Particulars	Gross block					Accumulated depreciation / amortisation					Net block
	As at 1 April 2013	Additions on acquisition of subsidiary	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	Additions on acquisition of subsidiary	Depreciation/ amortisation for the year	Disposals	As at 31 March 2014	As at 31 March 2014
A. Property, plant and equipment											
Freehold land	3.82	11.23	-	3.82	11.23	-	-	-	-	-	11.23
Leasehold land (refer note 3 below)	151.82	-	-	-	151.82	-	-	-	-	-	151.82
Buildings (refer note 4 below)	1,698.19	52.71	507.32	-	2,258.22	81.78	2.01	31.58	-	115.37	2,142.85
Medical and surgical equipments	2,192.59	98.55	189.18	18.00	2,462.32	527.46	15.96	159.25	9.79	692.88	1,769.44
Plant and equipments	55.38	10.98	20.87	-	87.23	13.82	2.02	3.57	-	19.41	67.82
Electrical equipments	348.86	10.75	54.32	3.85	410.08	71.75	3.06	25.96	2.62	98.15	311.93
Office equipments	32.08	-	-	-	32.08	3.10	0.21	0.40	-	3.71	28.37
Computers	59.33	2.11	10.13	-	71.57	30.34	1.10	10.23	-	41.67	29.90
Furniture and fixtures	161.84	6.95	35.45	-	204.24	46.59	1.87	10.39	-	58.85	145.39
Vehicles	23.65	2.96	2.97	0.03	29.55	11.47	0.29	2.36	0.01	14.11	15.44
Wind mill power plant	179.26	-	-	179.26	-	37.91	-	3.16	41.07	-	-
Total	**4,906.82**	**196.24**	**820.24**	**204.96**	**5,718.34**	**824.22**	**26.52**	**246.90**	**53.49**	**1,044.15**	**4,674.19**
B. Intangible assets											
Software	0.71	0.92	3.20	-	4.83	0.10	0.37	0.55	0.01	1.01	3.82
Total	**0.71**	**0.92**	**3.20**	**-**	**4.83**	**0.10**	**0.37**	**0.55**	**0.01**	**1.01**	**3.82**

C. Capital work-in-progress

Particulars	As at 1 April 2013	Additions	Capitalised during the year	Deletion on disposal of subsidiary	As at 31 March 2014
Capital work-in-progress (refer note 1 below)	746.42	396.11	625.02	8.11	509.40
Total	**746.42**	**396.11**	**625.02**	**8.11**	**509.40**

Notes :

1. Capital work in progress includes interest cost of INR 22.91 millions. Interest cost of INR 28.52 millions included in Capital work-in-progress has been capitalised as part of Property, plant and equipment.
2. During the current year, foreign exchange fluctuation loss amounting to INR 32.57 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R. 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R. 914(E) dated 29 December 2011.
3. Leasehold land is in the nature of perpetual lease and is not amortised.
4. Buildings amounting to Gross block INR 124.40 millions and Net block INR 106.45 millions are constructed on the Land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
5. Refer Annexure XXX -Note 1 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XV
Notes to Restated Consolidated Financial Information

Fixed assets

INR in Millions

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	As at 1 April 2012	Additions	Disposals	As at 31 March 2013	As at 1 April 2012	Depreciation/ amortisation for the year	Disposals	As at 31 March 2013	As at 31 March 2013
A. Property, plant and equipment									
Freehold land	3.82	-	-	3.82	-	-	-	-	3.82
Leasehold land (refer note 3 below)	151.82	-	-	151.82	-	-	-	-	151.82
Buildings (refer note 4 below)	975.30	722.89	-	1,698.19	62.98	18.80	-	81.78	1,616.41
Medical and surgical equipments	1,520.31	672.39	0.11	2,192.59	387.90	139.59	0.03	527.46	1,665.13
Plant and equipments	18.61	37.62	0.85	55.38	12.63	1.84	0.65	13.82	41.56
Electrical equipments	94.46	254.40	-	348.86	48.35	23.40	-	71.75	277.11
Office equipments	32.08	-	-	32.08	2.70	0.40	-	3.10	28.98
Computers	36.64	22.69	-	59.33	23.58	6.76	-	30.34	28.99
Furniture and fixtures	77.01	84.83	-	161.84	39.51	7.08	-	46.59	115.25
Vehicles	23.01	2.68	2.04	23.65	10.23	2.23	0.99	11.47	12.18
Wind mill power plant	179.26	-	-	179.26	28.44	9.47	-	37.91	141.35
Total	**3,112.32**	**1,797.50**	**3.00**	**4,906.82**	**616.32**	**209.57**	**1.67**	**824.22**	**4,082.60**
B. Intangible assets									
Software	0.36	0.35	-	0.71	0.01	0.09	-	0.10	0.61
Total	**0.36**	**0.35**	**-**	**0.71**	**0.01**	**0.09**	**-**	**0.10**	**0.61**

C. Capital work-in-progress

Particulars	As at 1 April 2012	Additions	Capitalised during the year	As at 31 March 2013
Capital work-in-progress (refer note 1 below)	1,243.52	1,222.27	1,719.37	746.42
Total	**1,243.52**	**1,222.27**	**1,719.37**	**746.42**

Notes :

1. Capital work-in-progress includes interest cost of INR 76.19 millions. Interest cost of INR 164.39 millions included in Capital work-in-progress has been capitalised as part of Property, plant and equipment.
2. During the current year, foreign exchange fluctuation loss amounting to INR 36.23 millions has been capitalised to the Medical and surgical equipments pursuant to notification no. G.S.R 225(E) dated 31 March 2009. The notification was valid upto 31 March 2011 and subsequently was extended upto 31 March 2020 based on notification no. G.S.R 914(E) dated 29 December 2011.
3. Leasehold land is in the nature of perpetual lease and is not amortised.
4. Buildings taken over pursuant to the Scheme of arrangement amounting to Gross block INR 124.40 millions and Net block INR 108.49 millions constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Company.
5. Refer Annexure XXX -Note 1 for incidental expenditure incurred during the construction period.

Krishna Institute of Medical Sciences Limited

Annexure - XVI
Notes to Restated Consolidated Financial Information

Non-current investments

INR in Millions, except share data and unless otherwise stated

Particulars	Face value	As at 30 September 2017		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		As at 31 March 2013	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(Unquoted, trade investment)													
Investment in equity instruments, valued at cost													
Investment in Associate, valued at cost*													
Arunodaya Hospitals Private Limited	INR 10	-	-	-	-	-	-	-	-	-	-	527,027	15.00
Add: Group share of profit		-	-	-	-	-	-	-	-	-	-	-	8.31
KIMS Hospital Enterprises Private Limited	INR 10	10,737,530	155.88	10,737,530	155.88	9,799,600	118.37	8,549,600	93.37	-	-	-	-
Add: Group share of loss		-	(9.89)	-	(13.36)	-	(9.61)	-	(8.36)	-	-	-	-
Investment in others													
KIMS Hospital Enterprises Private Limited	INR 10	-	-	-	-	-	-	-	-	7,400	0.07	-	-
Total			**145.99**		**142.52**		**108.76**		**85.01**		**0.07**		**23.31**

*** Includes Goodwill acquired for below entities**													
Arunodaya Hospitals Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	9.60
KIMS Hospital Enterprises Private Limited	-	-	81.28	-	81.28	-	51.44	-	35.98	-	-	-	-

Aggregate amount of unquoted investments	145.99	142.52	108.76	85.01	0.07	23.31
Aggregate provision for diminution in the value of investments	-	-	-	-	-	-

Krishna Institute of Medical Sciences Limited

Annexure - XVII
Notes to Restated Consolidated Financial Information

1 Long-term loans and advances

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good)						
Capital advances	24.48	100.00	70.95	69.36	44.03	30.87
Advance for purchase of shares	-	-	-	-	-	2.00
Statutory dues paid under protest (refer Annexure- XXVII)	39.49	39.49	38.44	31.67	21.89	22.41
Prepaid expenses	2.16	-	-	42.19	30.82	36.06
MAT credit entitlement	7.13	43.01	83.91	97.37	69.33	49.27
Advance tax (net of provision for tax)	228.02	-	-	-	-	-
Security deposits	27.06	21.16	21.22	21.13	24.81	18.28
Total	**328.34**	**203.66**	**214.52**	**261.72**	**190.88**	**158.89**

2 Short-term loans and advances

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good)						
Loans to related parties (refer Annexure XXVIII (A) & (B))	10.83	18.79	15.82	16.81	25.30	23.99
Advance to suppliers	4.59	13.10	14.42	15.15	18.08	16.07
Prepaid expenses	10.57	7.84	9.50	16.70	12.87	6.36
Security deposits	7.81	10.86	5.31	2.86	6.52	4.13
Staff advances	5.32	6.45	17.83	13.05	13.31	2.56
MAT credit entitlement	14.44	-	-	-	-	-
Advance tax (net of provision for tax)	-	172.33	163.10	240.13	135.32	45.63
Other receivables	5.31	1.06	-	1.24	-	-
Other advances (refer Annexure XXVIII.B - Note 1)	18.06	94.28	-	14.73	0.48	0.56
Total	**76.93**	**324.71**	**225.98**	**320.67**	**211.88**	**99.30**

Krishna Institute of Medical Sciences Limited

Annexure - XVIII
Notes to Restated Consolidated Financial Information

1 Other non-current assets

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good, unless otherwise stated)						
Bank deposits due to mature after 12 months of reporting date* (refer Annexure - XX)	8.71	9.36	4.63	6.00	5.60	19.48
Interest accrued but not due on bank deposits	2.19	2.00	3.07	3.14	2.27	4.33
Total	**10.90**	**11.36**	**7.70**	**9.14**	**7.87**	**23.81**

* Represent margin money towards issue of bank guarantees and letters of credit.

2 Other current assets

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured, considered good, unless otherwise stated)						
Unbilled revenue	51.82	68.32	63.72	57.73	50.59	36.79
Interest accrued but not due on bank deposits	0.56	0.40	3.91	0.28	11.62	2.44
Interest accrued but not due on loans (refer Annexure XXVIII B)	0.27	0.71	-	-	-	-
Unamortised finance charges	-	-	-	-	11.42	-
Total	**52.65**	**69.43**	**67.63**	**58.01**	**73.63**	**39.23**

3 Inventories

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Valued at lower of cost or net realisable value)						
Medical consumables and pharmacy items	213.89	164.09	123.08	112.53	115.79	82.11
Total	**213.89**	**164.09**	**123.08**	**112.53**	**115.79**	**82.11**

Krishna Institute of Medical Sciences Limited

Annexure - XIX
Notes to Restated Consolidated Financial Information

Trade receivables

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(Unsecured)						
Receivables outstanding for a period exceeding 6 months from the date they are due for payment						
(a) Considered good	87.40	171.62	94.81	42.09	21.13	36.07
(b) Considered doubtful	67.21	53.20	28.92	18.46	13.47	8.81
Less: Provision for doubtful receivables	(67.21)	(53.20)	(28.92)	(18.46)	(13.47)	(8.81)
Other receivables						
(a) Considered good	950.31	744.49	569.92	331.19	283.08	251.80
(b) Considered doubtful	-	-	5.81	-	-	-
Less: Provision for doubtful receivables	-	-	(5.81)	-	-	-
Total	**1,037.71**	**916.11**	**664.73**	**373.28**	**304.21**	**287.87**

Krishna Institute of Medical Sciences Limited

Annexure - XX
Notes to Restated Consolidated Financial Information

Cash and bank balances

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Cash and cash equivalents						
Cash on hand	24.14	8.54	14.36	11.25	8.83	8.20
Cheques on hand	-	-	-	0.01	-	-
Balances with banks						
- In current accounts	90.10	74.26	17.83	120.15	84.81	60.81
- In deposit accounts with original maturity of 3 months or less	-	-	0.10	8.24	-	-
	114.24	**82.80**	**32.29**	**139.65**	**93.64**	**69.01**
Other bank balances*	2.00	1.35	36.20	1.70	177.50	47.82
	2.00	**1.35**	**36.20**	**1.70**	**177.50**	**47.82**
Total	**116.24**	**84.15**	**68.49**	**141.35**	**271.14**	**116.83**
Details of bank balances/deposits						
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	90.10	74.26	17.93	128.39	84.81	60.81
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2.00	1.35	36.20	1.70	177.50	47.82
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer Annexure XVIII.1)	8.71	9.36	4.63	6.00	5.60	19.48
	100.81	**84.97**	**58.76**	**136.09**	**267.91**	**128.11**

* Represent margin money towards issue of bank guarantees and letters of credit.

Krishna Institute of Medical Sciences Limited

Annexure - XXI
Notes to Restated Consolidated Financial Information

Revenue from operations

INR in Millions

Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
Sale of services						
Income from hospital services	2,123.74	3,542.34	3,374.28	2,759.44	1,999.17	1,920.87
Sale of products						
Income from pharmacy	1,088.63	2,016.21	1,639.06	1,350.81	1,422.29	931.57
Other operating income						
Food and beverages	42.75	67.09	57.25	52.58	51.49	35.41
Academic courses	21.06	45.30	44.96	31.82	25.60	17.26
Sale of electricity	-	-	-	-	8.24	23.84
Others	1.44	0.44	2.62	2.13	3.52	8.61
Total	**3,277.62**	**5,671.38**	**5,118.17**	**4,196.78**	**3,510.31**	**2,937.56**

Krishna Institute of Medical Sciences Limited

Annexure - XXII
Notes to Restated Consolidated Financial Information

Other income

INR in Millions

Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**	**Nature (Recurring/ Non recurring)**	**Related/ Not related to business activity**
Other income, as restated	11.56	27.93	45.70	41.90	67.01	29.40		
Net profit before tax, as restated	283.25	527.84	409.02	141.28	146.85	277.44		
Other income as a % of net profit before tax	4.08%	5.29%	11.17%	29.66%	45.63%	10.60%		
Sources of other income								
Interest income								
-on fixed deposit	1.24	2.95	4.64	10.54	19.23	7.83	Recurring	Not related
-on income-tax refunds	-	2.96	9.69	4.69	1.56	0.12	Non-recurring	Not related
-on loans	0.27	0.71	-	-	-	-	Recurring	Not related
Liabilities no longer required written back	-	-	-	-	6.91	0.35	Non-recurring	Related
Rental income from sub-lease	2.38	3.13	4.16	1.37	1.88	2.01	Recurring	Not related
Profit on sale of Property, plant and equipment	-	0.82	0.72	-	-	-	Non-recurring	Not related
Miscellaneous income	7.67	17.36	26.49	25.30	18.69	19.09	Recurring	Not related
Gain on losing control over subsidiary	-	-	-	-	18.74	-	Non-recurring	Not related
Total	**11.56**	**27.93**	**45.70**	**41.90**	**67.01**	**29.40**		

Notes:
1. The classification of income as recurring/non-recurring and related/non-related to business activity is based on the current operations and business activity of the Group and joint venture as determined by the Management.

Krishna Institute of Medical Sciences Limited

Annexure - XXIII
Notes to Restated Consolidated Financial Information

1 Medical consumables and pharmacy items consumed

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening stock	164.09	123.07	112.53	115.78	82.11	72.85
Add: Purchases during the period/year	838.12	1,425.97	1,268.76	1,115.60	1,026.21	875.71
Less: Closing stock	213.89	164.09	123.07	112.53	115.78	82.11
Total	**788.32**	**1,384.95**	**1,258.22**	**1,118.85**	**992.54**	**866.45**

2 Operating expenses

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Consultancy charges	692.70	1,192.05	1,041.21	874.98	683.58	563.74
House keeping expenses	104.96	176.90	181.17	159.75	113.48	84.55
Power and fuel	88.66	141.81	136.81	121.53	119.86	89.27
Catering and patient welfare expenses	46.14	88.36	88.80	77.49	72.25	60.74
Rent (refer Annexure XXX-Note 2)	37.23	55.47	50.82	33.90	34.63	32.82
Tests and investigations	13.70	10.85	8.21	9.03	8.26	6.09
Windmill expenses	-	-	-	-	1.77	2.57
Academic courses expenses	0.90	0.69	0.92	0.67	1.28	1.32
Repairs and maintenance:						
- Medical equipments	57.08	122.12	101.63	96.67	68.73	64.23
- Hospital buildings and others	50.19	83.30	70.60	56.65	28.62	15.51
Total	**1,091.56**	**1,871.55**	**1,680.17**	**1,430.67**	**1,132.46**	**920.84**

Krishna Institute of Medical Sciences Limited

Annexure - XXIV
Notes to Restated Consolidated Financial Information

Employee benefits expense

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	560.34	902.75	726.25	632.35	513.20	405.46
Contribution to provident and other funds (refer Annexure XXX -Note 3)	48.60	69.11	73.64	53.47	37.02	25.38
Staff welfare expenses	6.40	7.89	7.34	6.50	6.26	3.68
Total	**615.34**	**979.75**	**807.23**	**692.32**	**556.48**	**434.52**

Notes:
1. The above amount is net of amount capitalised (refer Annexure XXX-Note 1).

Krishna Institute of Medical Sciences Limited

Annexure - XXV
Notes to Restated Consolidated Financial Information

Finance costs

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest on term loans	140.30	287.76	316.01	285.35	267.40	122.85
Interest on other loans	6.80	10.84	20.57	43.12	25.40	19.61
Other borrowing costs	2.14	8.26	21.56	9.04	4.53	2.72
Total	**149.24**	**306.86**	**358.14**	**337.51**	**297.33**	**145.18**

Notes:
1. The above amount is net of amount capitalised (refer Annexure XXX-Note 1).

Krishna Institute of Medical Sciences Limited

Annexure - XXVI
Notes to Restated Consolidated Financial Information

Other expenses

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Printing and stationery	16.06	24.10	23.25	20.65	18.74	17.48
Legal and professional	10.99	15.62	26.38	14.75	7.48	7.82
Rates and taxes	41.37	41.37	41.66	34.79	39.45	20.34
Trade receivables written off	-	-	1.48	6.58	20.30	0.48
Travelling and conveyance	13.53	24.70	18.46	16.02	13.27	8.31
Advertisement and publicity	32.83	57.29	65.94	22.99	13.75	8.70
Medical camps and marketing expenses	2.89	6.22	5.48	4.77	9.71	3.91
Repairs and maintenance - others	0.90	0.11	1.23	1.02	5.15	4.91
Communication	4.44	8.32	6.70	6.01	6.44	4.80
Provision for doubtful receivables	14.01	20.36	16.28	4.99	4.67	3.46
Insurance	1.79	4.24	3.58	3.70	3.37	2.10
Subscriptions and membership fees	2.57	5.49	4.62	2.66	3.72	2.01
Loss on sale of property, plant and equipment	-	-	-	14.42	21.08	0.37
Loss on sale of investment (refer Annexure XXX- Note 8 (c))	-	-	-	0.79	-	-
Donations	0.25	10.41	30.00	-	-	-
Bank charges	10.97	18.14	12.27	13.00	14.70	5.53
Corporate Social Responsibility	0.26	4.92	4.10	4.80	-	-
Miscellaneous expenses	12.10	35.73	34.68	23.44	22.38	22.65
Total	**164.96**	**277.02**	**296.11**	**195.38**	**204.21**	**112.87**

Notes:
1. The above amount is net of amount capitalised (refer Annexure XXX-Note 1).

Krishna Institute of Medical Sciences Limited

Annexure - XXVII
Notes to Restated Consolidated Financial Information

Commitments and contingent liabilities

INR in Millions

	Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
i)	**Commitments**						
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	174.86	162.22	18.21	15.66	24.56	91.98
	b) towards purchase of consumables	177.36	213.18	222.71	188.12	78.22	8.20
ii)	**Contingent liabilities**						
	a) Guarantees given for procurement of medical equipment to a related entity (refer Annexure XXX-Note 9 (c) and XXVIII.B)	310.00	310.00	110.00	60.00	60.00	-
	Value of loan availed outstanding as at period/ year end against aforesaid guarantee	271.93	268.38	97.12	56.92	59.95	-
	b) towards investment in joint venture in Burundi	-	-	-	-	8.26	-
	c) Other claims	23.76	23.76	23.76	-	-	-

Pending litigations

INR in Millions

	Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
(a)	Luxury tax matters in dispute, pending appeals filed by the Group	82.27	82.27	82.27	69.66	55.55	42.02
	[Paid under protest and disclosed under loans and advances]	(28.44)	(28.44)	(28.44)	(21.67)	(21.67)	(22.41)
(b)	Medical claims (gross, excluding interest/ costs)	62.13	68.15	52.47	48.24	32.04	32.04
(c)	Service tax matters in dispute, pending appeals filed by the Group	59.60	59.60	31.60	31.60	-	-
	[Paid under protest and disclosed under loans and advances]	(9.95)	(9.95)	(8.90)	(8.90)	-	-
(d)	VAT matters in dispute, pending appeals filed by the Group	1.76	1.76	1.76	1.76	1.76	-
	[Paid under protest and disclosed under loans and advances]	(1.10)	(1.10)	(1.10)	(1.10)	(0.22)	-
(e)	The Holding Company has obtained a stay from the High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision in respect thereof has been made in the restated consolidated financial information.						

Krishna Institute of Medical Sciences Limited

Annexure - XXVIII
Notes to Restated Consolidated Financial Information

Related parties

Name of the related party	Nature of the Relationship					
	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Arunodaya Hospitals Private Limited (refer note 2 below)	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Associate
KIMS Hospital Enterprises Private Limited (refer note 3 below)	Associate	Associate	Associate	Associate	Enterprise where KMP have control or significant	Subsidiary
B Krishnaiah -Chairman	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Dr. B Bhaskar Rao - Managing Director and Chief Executive Officer (CEO)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)
D. Anitha - Director	Whole time director	Whole time director	-	-	-	-
Dr M. Sambasiva Rao- Director	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Dr K.V. Krishna Kumar- Director	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Dr Padama S Veerapaneni - Director	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
B. K. Rao	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Dr P Rajendra Kumar Jain - Director	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Dr Saharaiah S (Director till 12 March 2014)	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Mr K Thanu Pillai - Director	-	-	-	-	-	Key Managerial Person (KMP)
Amit Varma	-	-	-	-	Key Managerial Person (KMP)	Key Managerial Person (KMP)
Satya Srinivas Baratam	-	-	-	-	-	Key Managerial Person (KMP)
K Govindarajan (CFO) (refer note 4 below)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	-	-	-
Vikas Maheshwari(CFO) (refer note 6 below)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	-	-	-	-
Uma Shankar Mantha (Company secretary) (refer note 5 below)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	Key Managerial Person (KMP)	-	-	-
Sri Viswa Medicare Limited (Formerly known as Reliance Medicare Limited)	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Ramanaiah Memorial Hospitals Private Limited	-	-	-	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Krishnaiah Charitable Trust	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	-	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Developers Limited	-	-	-	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
BSCPL Infrastructure Limited	-	-	-	Enterprises where KMP have control or significant influence	-	-
KIMS Foundation and Research Centre	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence	Enterprises where KMP have control or significant influence
Bollineni Casting and Steel Limited	-	-	-	-	-	Enterprises where KMP have control or significant influence
KIMS Hospital Enterprises Private Limited (Subsidiary till 13 August 2013)	-	-	-	-	Subsidiary	
KIMS Wardak Diagnostics Centre Private Limited (till 21 January 2015)	-	-	-	Joint venture-Enterprise over which the company exercises joint control with other Joint venture partner and hold 25% equity stake	Joint venture-Enterprise over which the company exercises joint control with other Joint venture partner and hold 25% equity stake	Joint venture-Enterprise over which the company exercises joint control with other Joint venture partner and hold 25% equity stake
Dr. B. Abhinay -Son of Managing Director and CEO	Relative of KMP	Relative of KMP	Relative of KMP	Relative of KMP	-	-
Dr. Raavi Swetha	Relative of KMP	Relative of KMP	-	-	-	-
Mr. B Nagabhusan -Son of Independent Director	-	Relative of KMP	Relative of KMP	Relative of KMP	-	-
Mrs. Rajyasree -Wife of Managing Director and CEO	-	-	-	Relative of KMP	Relative of KMP	Relative of KMP
India Advantage Fund S31	Enterprise having Significant influence over the company	Enterprise having Significant influence over the company	Enterprise having Significant influence over the company	Enterprise having Significant influence over the company	-	-
Manpower Resource Bank	-	-	-	-	-	A proprietorship firm in which a director was the proprietor till 31 January 2013
IL&FS Trust Company Limited A/C Milestone Private Equity Fund	-	-	-	-	Enterprise having Significant influence over the company	Enterprise having Significant influence over the company

Notes:

1. As per the requirements of the Companies Act 2013, Chief Financial Officer (CFO) and Company Secretary need to be considered as KMP effective from 1 April 2014 and hence, previous years comparatives have not been presented.

2. Associate till 27 March 2014 and subsidiary from 28 March 2014.
3. Subsidiary till 13 August 2013 and associate from 15 July 2014.
4. w.e.f 23 December 2015 and upto 30 April 2017.
5. w.e.f 23 December 2015.
6. w.e.f 01 May 2017.

Krishna Institute of Medical Sciences Limited

Annexure - XXVIII A
Notes to Restated Consolidated Financial Information

Related parties transactions

INR in Millions

Particulars	Name of the related party	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Professional service rendered to	Sri Viswa Medicare Limited (formerly known as Reliance Medicare Limited)	-	0.01	0.02	1.05	1.60	2.35
Professional service rendered to	BSCPL Infrastructure Limited	-	-	0.06	-	-	-
Share of income from joint venture	KIMS Wardak Diagnostics Centre Private Limited	-	-	-	0.26	2.30	2.95
Loans given	KIMS Hospital Enterprises Private Limited	6.00	4.96	-	-	-	-
Loans given	KIMS Foundation and Research Centre	-	0.11	-	-	1.38	7.40
Professional fee including managerial remuneration to KMP	Dr. B Bhaskar Rao	9.70	24.20	18.45	17.30	12.40	7.90
Professional fee including managerial remuneration to KMP	Dr M. Sambasiva Rao	-	-	-	-	2.40	2.40
Professional fee including managerial remuneration to KMP	Dr K.V.Krishna Kumar	-	-	-	-	5.20	3.99
Professional fee including managerial remuneration to KMP	Dr P Rajender Kumar Jain	-	-	-	-	8.82	11.24
Professional fee including managerial remuneration to KMP	Dr Saharaiah S	-	-	-	-	6.37	4.43
Professional fee including managerial remuneration to KMP	Dr Padama S Veerapaneni	-	-	-	-	1.03	1.53
Professional fee to relatives of KMP	Dr. Raavi Swetha	0.36	0.96	-	-	-	-
Rent to KMP and their relative	Dr. B Bhaskar Rao	0.05	0.10	0.10	0.10	0.10	0.10
Rent to KMP and their relative	Mrs. Rajyasree	-	-	-	-	0.10	0.10
Interest on loan taken	KIMS Hospital Enterprises Private Limited	0.27	0.71	-	0.18	11.79	-
Interest on loan taken	Dr. B Bhaskar Rao	-	-	-	2.84	3.46	-
Interest income received	KIMS Hospital Enterprises Private Limited	0.71	-	-	-	-	-
Fees for providing manpower services	Manpower Resource Bank	-	-	-	-	-	62.42
Sale of Property, plant and equipment	KIMS Hospital Enterprises Private Limited	-	-	-	15.33	-	-
Salary to KMP	Dr. B Bhaskar Rao	12.00	9.00	-	-	-	-
Salary to relative of KMP	Dr. B. Abhinay	1.05	2.10	1.50	0.90	-	-
Refund of loan given	Bollineni Developers Limited	-	-	-	7.50	-	22.50
Refund of loan given	KIMS Foundation and Research Centre	3.00	2.10	0.99	0.26	-	-
Refund of advance given	KIMS Hospitals Private Limited	-	-	-	-	-	-
Refund of loan given	Bollineni Krishnaiah Charitable Trust	-	-	-	0.73	0.07	-
Refund of loan given	Bollineni Casting and Steel Limited	-	-	-	-	-	10.60
Loans received	Dr. B Bhaskar Rao	-	-	20.00	57.56	91.00	30.05
Loans received	KIMS Hospital Enterprises Private Limited	-	-	-	21.27	141.55	-
Advances received	Bollineni Ramanaiah Memorial Hospitals Private Limited	-	-	-	-	-	6.45
Loan repaid	Dr. B Bhaskar Rao	2.74	-	26.90	95.21	69.95	13.55
Loan repaid	Dr M. Sambasiva Rao	-	-	-	2.50	-	-
Loan repaid	KIMS Hospital Enterprises Private Limited	10.96	-	-	32.40	138.90	-
Loan repaid	Mrs. Rajyasree	-	-	-	-	1.87	-
Loan repaid	Bollineni Ramanaiah Memorial Hospitals Private Limited	-	-	6.11	0.34	-	-
Security deposit for the appointment of Independent Director	Dr. B Bhaskar Rao	-	0.20	-	-	-	-
Refund of security	Dr. B Bhaskar Rao	-	0.20	-	-	-	-
Expenditure towards CSR	KIMS Foundation And Research Centre	0.06	3.42	4.10	4.30	-	-
Guarantee on behalf of	KIMS Hospital Enterprises Private Limited	-	200.00	50.00	-	60.00	-
Guarantee received from	KIMS Hospital Enterprises Private Limited	-	-	-	53.26	-	-
Guarantee closed	KIMS Hospital Enterprises Private Limited	23.00	-	-	-	-	-
Professional services rendered by	B Nagabhushan	-	0.35	0.85	-	-	-
Sale of pharmacy items to	KIMS Hospital Enterprises Private Limited	3.66	7.90	9.11	-	-	-
Purchases of pharmacy items from	KIMS Hospital Enterprises Private Limited	1.07	0.55	-	-	-	-
Reimbursement of claims	KIMS Hospital Enterprises Private Limited	0.49	19.08	6.09	-	-	-
Reimbursement of expenses made	Bollineni Krishnaiah Charitable Trust	0.23	1.98	0.80	-	-	-
Investment in Associates	KIMS Hospital Enterprises Private Limited	-	37.51	25.00	93.30	-	-
Key Managerial Remuneration	K Govindarajan	-	3.91	3.51	-	-	-
Key Managerial Remuneration	Uma Sankar Mantha	0.73	1.46	0.99	-	-	-
Key Managerial Remuneration	D. Anitha	1.50	3.00	-	-	-	-
Key Managerial Remuneration	Vikas Maheshwari	2.49	-	-	-	-	-

Notes:

1. Remuneration does not include gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for all the employees together and hence, individual amount cannot be determined.
2. Other advances include expenses of INR 20.99 millions incurred by the Company towards Initial Public Offering (IPO) of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to share that will be offered to public in offering.

3. Refer Annexure VIIIB and XIB for details of guarantees given by related parties for loans availed by the Company.

Krishna Institute of Medical Sciences Limited

Annexure - XXVIII B
Notes to Restated Consolidated Financial Information

Related parties balances

INR in Millions

Particulars	Name of the related party	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade receivables	Sri Viswa Medicare Limited (Formerly known as Reliance Medicare Limited)	2.21	2.21	2.21	3.19	4.65	3.76
Trade receivables	BSCPL Infrastructure Limited	-	-	-	0.06	-	-
Loans	KIMS Foundation and Research Centre	10.83	13.83	15.82	16.81	17.07	15.69
Loans	KIMS Hospital Enterprises Private Limited	-	4.96	-	-	-	-
Loans	Bollineni Developers Limited	-	-	-	-	7.50	7.50
Loans	Bollineni Krishnaiah Charitable Trust	-	-	-	-	0.73	0.80
Loans	Bollineni Casting and Steel Limited	-	-	-	-	-	-
Short-term borrowings	Dr B Bhaskar Rao	-	2.74	2.74	9.64	47.29	26.24
Short-term borrowings	KIMS Hospital Enterprises Private Limited	-	-	-	1.49	12.62	-
Short-term borrowings	Mrs. Rajyasree	-	-	-	-	-	1.87
Short-term borrowings	M Sambasiva Rao	-	-	-	-	2.50	2.50
Interest accrued but not due	Dr B Bhaskar Rao	-	-	-	2.55	3.11	-
Interest accrued but not due	KIMS Hospital Enterprises Private Limited	0.27	0.71	-	0.16	10.61	-
Trade payable	Dr B Bhaskar Rao	1.45	1.85	0.40	0.30	0.20	0.10
Trade payable	Mrs. Rajyasree	-	-	-	0.30	0.20	0.10
Trade payable	Dr. Raavi Swetha	-	0.11	-	-	-	-
Trade payable	Bollineni Krishnaiah Charitable trust	0.18	0.14	-	-	-	-
Trade payable	Dr M Sambasiva Rao	-	-	-	-	0.18	0.20
Trade payable	Dr K V Krishna Kumar	-	-	-	-	0.40	0.82
Trade payable	Dr P Rajendra Kumar Jain	-	-	-	-	2.67	3.97
Trade payable	Dr S Saharaiah	-	-	-	-	2.21	0.48
Employee benefit payable	Dr. B. Abhinay	0.12	0.02	0.16	0.07	-	-
Employee benefit payable	K Govindarajan	-	0.20	0.20	-	-	-
Employee benefit payable	Uma Shankar Mantha	0.11	0.08	0.06	-	-	-
Employee benefit payable	D. Anitha	0.20	0.23	-	-	-	-
Employee benefit payable	Vikas Maheshwari	0.34	-	-	-	-	-
Other liabilities	Bollineni Ramanaiah Memorial Hospitals Private Limited	-	-	-	6.11	6.45	6.45
Reimbursement of claims payable	KIMS Hospital Enterprises Private Limited	-	-	7.58	1.49	-	-
Guarantee given on behalf of	KIMS Hospital Enterprises Private Limited	310.00	310.00	110.00	60.00	-	-
Guarantee received from	KIMS Hospital Enterprises Private Limited	30.26	53.26	53.26	53.26	-	-

Notes:

1. Other advances include expenses of INR 20.99 millions incurred by the Company towards Initial Public Offering (IPO) of the equity shares held by shareholders as well as the Company. Portion of these expenses are recoverable from shareholders in proportionate to share that will be offered to public in offering.

2. Refer Annexure VIIIB and XIB for details of guarantees given by related parties for loans availed by the Group.

Krishna Institute of Medical Sciences Limited

Annexure - XXIX
Notes to Restated Consolidated Financial Information

Segment reporting
The Group's business is organised and management views the performance based on the business segments as mentioned below:

Hospital services: This segment of the Group is engaged in providing medical and healthcare services and generates revenue from hospital services, sale of pharmacy items and academic courses offered.

Electricity sales: This division of the Group is engaged in the generation and sale of electricity from wind power.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in one geographical segment.

Segment policies
The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment. The depreciation expenses of such assets have also been allocated to the segments on the same basis. Certain expenses are not specifically allocable to individual segments and pertain to the entity as a whole and are disclosed as unallocated expenses.

Assets and liabilities are either specifically identifiable with individual segments or have been allocated to segment on a systematic basis. Assets that pertain to the entity as a whole such as investments in subsidiaries, joint ventures and associate, bank balances in current accounts, MAT Credit Entitlement and Advance tax balances have been disclosed as unallocated assets. Liabilities other than income tax balances and deferred tax liabilities have been identified against each segment or have been allocated on a reasonable basis.

INR in Millions

Particulars	For the year ended 31 March 2014*			For the year ended 31 March 2013		
	Hospital services	Electricity sales	Total	Hospital services	Electricity sales	Total
Revenue:						
Segment revenue	3,569.08	8.24	3,577.32	2,943.12	23.84	2,966.96
Result :						
Segment result	159.02	(12.17)	146.85	276.68	0.76	277.44
Add: Un-allocable income	-	-	-	-	-	-
Less: Un-allocable expenditure	-	-	-	-	-	-
Profit before tax and share of profit of associate and minority interest			**146.85**			**277.44**
Less: Tax expense	-	-	103.25	-	-	95.37
Profit after tax			**43.60**			**182.07**
Other information :						
Assets:						
Segment assets	6,365.30	-	6,365.30	5,369.60	168.53	5,538.13
Un-allocable corporate assets			-			122.85
Total Assets			**6,365.30**			**5,660.98**
Liabilities:						
Segment liabilities	4,348.84	-	4,348.84	3,398.12	69.05	3,467.17
Un-allocable corporate liabilities			-			270.39
Total liabilities			**4,348.84**			**3,737.56**
Non cash expenditure						
Depreciation and amortisation	244.29	3.16	247.45	200.19	9.47	209.66
Capital expenditure	594.54	-	594.54	1,300.75	-	1,300.75

* On 2 August 2013 the shareholders of the Company have approved the sale of wind mill division. Based on the same, the Company has sold the existing windmills at a loss of INR 12.01 millions. Accordingly, as at 31 March 2014, the Company has only one segment namely hospital services and there are no unallocable assets and liabilities as on the said date.

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Consolidated Financial Information

Other notes

1. Incidental expenditure during construction period

The Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment, as they are directly attributable expenses. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Finance costs						
Interest on term loans	-	-	-	18.36	51.54	132.91
Other interest and processing charges	-	-	27.26	1.15	3.59	1.43
Total (A)	**-**	**-**	**27.26**	**19.51**	**55.13**	**134.34**
Other expenses						
Rates and taxes	0.15	1.05	0.02	0.08	1.31	5.75
Travelling and other expenses	0.66	2.98	1.70	2.64	3.71	4.46
Power and fuel	0.11	1.91	0.25	12.62	10.66	9.46
Total (B)	**0.92**	**5.94**	**1.97**	**15.34**	**15.68**	**19.67**
Employee benefits expense (C)	**1.48**	**13.78**	**5.87**	**9.16**	**20.82**	**24.04**
Grand Total (A+B+C)	**2.40**	**19.72**	**35.10**	**44.01**	**91.63**	**178.05**

2. Leases

The Group has taken medical equipments, hospitals, office and residential premises under cancellable operating lease agreements. The Group intends to renew such leases in the normal course of business. The total rental expenses under cancellable operating leases are as follows which is grouped under operating expenses in the restatement consolidated summary statement of profit and loss. There are no non-cancellable leases taken by the Group.

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Cancellable operating leases	37.23	55.47	50.82	33.90	34.63	32.82
Total	**37.23**	**55.47**	**50.82**	**33.90**	**34.63**	**32.82**

The Group earns income from certain premises which were given on sub-lease under cancellable and non-cancellable operating lease agreements. The total future minimum lease payments expected to be received under non-cancellable operating sub-lease are as follows:

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Future minimum sub-lease payments expected to be received	8.74	10.54	12.34	0.28	0.66	1.03
Total	**8.74**	**10.54**	**12.34**	**0.28**	**0.66**	**1.03**

3. Employee benefits

a. The following table sets out the Defined Benefit Plan - Gratuity - as per actuarial valuation

i) Movement in present values of the defined benefit obligation - Gratuity

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined benefit obligation at 1 April	94.99	76.63	47.14	31.59	25.42	17.13
Service cost	9.70	17.82	14.33	9.55	7.54	6.54
Interest cost	3.55	6.05	3.68	2.87	2.08	1.47
Benefits settled	(1.30)	(3.93)	(1.44)	(1.31)	(1.21)	(0.66)
Actuarial (gain)/ loss	(1.78)	(1.58)	12.92	4.44	(2.24)	0.94
Defined benefit obligation as at period/year end	**105.16**	**94.99**	**76.63**	**47.14**	**31.59**	**25.42**

ii) Movement in fair value of plan assets

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Fair value of plan assets at 1 April	16.69	18.97	18.88	10.79	9.91	7.95
Expected return on plan assets	0.02	1.42	1.53	1.29	0.83	0.80
Actuarial gain/ (loss)	-	-	-	-	-	-
Employer contributions	2.35	0.28	-	8.11	1.28	1.82
Benefits settled	(1.30)	(3.98)	(1.44)	(1.31)	(1.23)	(0.66)
Fair value of plan assets as at period/year end	**17.76**	**16.69**	**18.97**	**18.88**	**10.79**	**9.91**

iii) Amount recognised in balance sheet

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of defined benefit obligation	105.16	94.99	76.63	47.14	31.59	25.42
Fair value of plan assets	17.76	16.69	18.97	18.88	10.79	9.91
Net liability	**87.40**	**78.30**	**57.66**	**28.26**	**20.80**	**15.51**
Current liability	**3.58**	**3.16**	**3.86**	**1.42**	**1.18**	**0.92**
Non-current liability	**83.82**	**75.14**	**53.80**	**26.84**	**19.62**	**14.59**

Other notes

3. Employee benefits (continued)

iv) Expenses recognised in Statement of profit and loss

INR in Millions

Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
Service cost	9.70	17.82	14.33	9.55	7.54	6.54
Interest cost	3.55	6.05	3.68	2.87	2.08	1.47
Expected return on plan assets	(0.02)	(1.42)	(1.53)	(1.29)	(0.83)	(0.80)
Recognized net actuarial (gain) / loss	(1.78)	(1.58)	12.92	4.44	(2.24)	0.94
Net gratuity cost, included in 'employee benefits expense'	**11.45**	**20.87**	**29.40**	**15.57**	**6.55**	**8.15**

v) Principal actuarial assumptions

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Discount rate	7.33%	7.47%	7.90%	7.80%	9.10%	8.20%
Long term rate of compensation increase	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Estimated rate of return on planned assets	8.00%	8.25%	9.00%	9.00%	8.75%	9.15%

Discount rate**:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets**:** This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate**:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

vi) Amount for the current period and previous five years are as follows:

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
Present value of defined benefit obligation	105.16	94.99	76.63	47.14	31.59	25.42
Fair value of plan assets	17.76	16.69	18.97	18.88	10.79	9.91
Deficit in the plan	**87.40**	**78.30**	**57.66**	**28.26**	**20.80**	**15.51**

b. Defined contribution plan

INR in Millions

Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**	**For the year ended 31 March 2013**
Amount recognised in the restated consolidated summary statement of profit and loss towards						
i) Provident fund	12.24	37.17	31.06	26.26	20.09	15.73
ii) Employee state insurance	20.91	17.81	13.18	11.64	10.83	1.50

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Consolidated Financial Information

Other notes

4. Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the consolidated financial statements based on information received and available with the Group. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the period	-	-	0.02	0.05	0.02	0.09
the amount of interest paid by the Group, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-	-	-	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act.	-	-	-	-	-	-
the amount of interest accrued and remaining unpaid at the end of the period; and	-	-	-	-	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-	-	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Group.

5. The Group has the following un-hedged exposure in foreign currency at the period/year end:

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Trade payable (in USD)	-	-	-	0.32	5.70	5.70
Other commitments (in EURO)	-	-	-	-	0.10	-
Trade payable (in GBP)	-	-	-	-	-	-
Trade payable (in INR)	-	-	-	19.96	342.86	310.29
Other commitments (in INR)	-	-	-	-	8.26	-
Trade payable (in INR)	-	-	-	-	-	-

6. Scheme of Arrangement between Bollineni Heart Centre Limited ('BHCL') and Bollineni Ramanaiah Memorial Hospital ('BRMH') with the Company and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956

i. On 21 April 2012, the Board of Directors approved a Scheme of Arrangement ('the Scheme') for amalgamation of Bollineni Heart Centre Limited ("Transferor Company") with the Company ("Transferee Company") and the transfer and vesting of the Demerged Business Undertaking of Bollineni Ramanaiah Memorial Hospitals Private Limited ("Demerged Company") with the Company ("Transferee Company") under section 391 to 394 of the Companies Act, 1956. On 23 April 2012, the Company filed a petition for approval of the Scheme with the Honourable High Court of Andhra Pradesh ('the High Court'). The High Court approved the Scheme vide its order dated 27 December 2012 with the appointed date as 1 April 2011 and the certified true copy of the scheme was filed by the Company with the Registrar of Companies on 15 February 2013. The Company has given effect to the scheme approved by the High Court in the financial statements for the year ended 31 March 2013.

ii. With respect to the amalgamation with BHCL, the amalgamation has been accounted as per the Pooling of Interest Method as per Accounting Standard 14 "Accounting for Amalgamation". Accordingly, in preparing the financial statements, the assets, liabilities and reserves of transferor company has been recorded at their existing carrying value at the date of amalgamation (1 April 2011). The balance of Surplus in the Statement of profit and loss of the transferor company has been added with the corresponding balances of the Company as at 1 April 2011.

iii. Pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 306,069 equity shares of INR 10 each to the shareholders of the Transferor Company against 4,455,000 equity shares of INR 10 each outstanding in the Transferor Company in the ratio of 9 equity shares of INR 10 each for every 131 equity shares of INR 10 each of the Transferor Company. The difference of INR 41.49 millions on account of the above said share swap has been added to the Adjustment Reserve of the Company as per the Scheme.

iv. Pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 969,231 equity shares of INR 10 each to the shareholders of the Demerged Company against 2,100,000 equity shares of INR 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of INR 10 each for every 13 equity shares of INR 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to INR 16.15 millions has been added to the Adjustment Reserve of the Company as per the Scheme.

The adding of the difference to the Adjustment Reserve is not in accordance with the treatment prescribed by Accounting Standard (AS) 14 'Accounting for Amalgamations'. However, it is in accordance with the Scheme of Arrangement approved by the High Court. Had the Company followed the treatment prescribed under the Standard, the Adjustment Reserve for the year would have been lower by INR 16.15 millions and Capital reserves would have been created for the similar amount without having any impact on the net assets of the Company as at 1 April 2011.

v. As per the Scheme of Arrangement, the appointed date is 1 April 2011. But the Court Order was dated 27 December 2012. Accordingly, Company has considered the net surplus for the financial year ended 31 March 2012 as per the audited financial statements of both the Transferor Company and the Demerged Company amounting to INR 37.66 millions and INR 24.98 millions respectively and included the same in surplus in the Statement of profit and loss. The respective audited financial statements of both the Transferor Company and Demerged Company were audited by erstwhile auditors of the said entities. Summary of the Statement of profit and loss of Transferor Company and Demerged Company for the year ended 31 March 2012 were audited by their auditors.

vi. Expenditure in relation to Scheme of Arrangement including stamp duty payable has been expensed in the Restated Consolidated Summary Statement of Profit and Loss for the year ended 31 March 2013 aggregating to INR 1.20 millions.

vii. The aforesaid accounting treatment was carried out in the audited financial statements for the year ended 31 March 2013.

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Consolidated Financial Information

Other notes

7. Details of Net assets, share in profit or loss and minority interest

As at 30 September 2017

INR in Millions

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount
Parent				
Krishna Institute of Medical Sciences Limited	99.11%	3,411.75	95.92%	170.79
Subsidiary				
Arunodaya Hospital Private Limited	2.38%	82.02	11.27%	20.07
KIMS Hospitals Private Limited	-0.30%	(10.31)	-4.03%	(7.18)
KIMS Swastha Private Limited	-0.01%	(0.42)	-0.15%	(0.26)
KIMS Cuddles Private Limited	-0.08%	(2.83)	-1.60%	(2.84)
KIMS Sahariah Healthcare Private Limited	0.00%	0.09	0.00%	(0.00)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.09	0.00%	(0.00)
Minority interest	2.39%	82.40	-4.75%	(8.46)
Associate (Investment as per Equity Method)				
KIMS Hospital Enterprises Private Limited	-	-	1.95%	3.47
Total eliminations	-3.50%	(120.40)	1.39%	2.48
Total	**100.00%**	**3,442.41**	**100.00%**	**178.07**

As at 31 March 2017

INR in Millions

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As a % of consolidated profit / (loss)	Amount
Parent				
Krishna Institute of Medical Sciences Limited	99.28%	3,240.96	99.95%	325.41
Subsidiary				
Arunodaya Hospital Private Limited	2.72%	88.76	3.85%	12.53
KIMS Hospitals Private Limited	-0.10%	(3.13)	-0.97%	(3.17)
KIMS Swastha Private Limited	0.00%	(0.16)	-0.08%	(0.25)
KIMS Cuddles Private Limited	0.00%	0.01	-0.03%	(0.09)
KIMS Sahariah Healthcare Private Limited	0.00%	0.10	0.00%	(0.01)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.10	0.00%	(0.01)
Minority interest	2.27%	73.94	-1.70%	(5.54)
Associate (Investment as per Equity Method)				
KIMS Hospital Enterprises Private Limited	-	-	-1.15%	(3.75)
Total eliminations	-4.17%	(136.26)	0.14%	0.44
Total	**100.00%**	**3,264.32**	**100.00%**	**325.56**

As at 31 March 2016

INR in Millions

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount
Parent				
Krishna Institute of Medical Sciences Limited	99.12%	2,610.36	91.29%	242.98
Subsidiary				
Arunodaya Hospital Private Limited	2.39%	62.93	11.76%	31.29
KIMS Hospitals Private Limited	0.00%	0.04	-0.01%	(0.02)
KIMS Swastha Private Limited	0.00%	0.09	0.00%	(0.01)
Minority interest	2.60%	68.48	-4.64%	(12.34)
Associate (Investment as per Equity Method)				
KIMS Hospital Enterprises Private Limited	0.00%	-	-0.47%	(1.25)
Total eliminations	-4.11%	(108.33)	2.07%	5.50
Total	**100.00%**	**2,633.57**	**100.00%**	**266.15**

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Consolidated Financial Information

Other notes

Details of Net assets, share in profit or loss and minority interest

As at 31 March 2015

INR in Millions

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount
Parent				
Krishna Institute of Medical Sciences Limited	99.28%	2,367.37	103.42%	58.00
Subsidiary				
Arunodaya Hospital Private Limited	2.27%	54.24	35.01%	19.63
KIMS Hospitals Private Limited	0.00%	0.06	-0.07%	(0.04)
KIMS Swastha Private Limited	0.00%	-	0.00%	-
Minority interest	2.46%	58.58	-13.46%	(7.55)
Associate (Investment as per Equity Method)				
KIMS Hospital Enterprises Private Limited	0.00%	-	-14.91%	(8.36)
Total eliminations	-4.01%	(95.71)	-9.99%	(5.60)
Total	**100.00%**	**2,384.54**	**100.00%**	**56.08**

As at 31 March 2014

INR in Millions

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount
Parent				
Krishna Institute of Medical Sciences Limited	99.89%	1,961.07	73.14%	41.94
Subsidiary				
Arunodaya Hospital Private Limited*	0.96%	18.77	0.78%	0.45
Minority interest	2.71%	53.26	-0.19%	(0.11)
KIMS Hospital Enterprises Private Limited**	0.00%	-		
Associate (Investment as per Equity Method)				
Arunodaya Hospital Private Limited	0.00%	-	24.15%	13.85
Joint Venture				
KIMS Wardak Diagnostic Centre Private Limited	-0.14%	(3.01)	0.49%	0.28
Total eliminations	-3.41%	(66.89)	1.63%	0.93
Total	**100.00%**	**1,963.20**	**100.00%**	**57.34**

* Associate upto 27 March 2014, subsidiary thereafter
** Subsidiary upto 13 August 2013

As at 31 March 2013

INR in Millions

Name of the entity	Net assets		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount
Parent				
Krishna Institute of Medical Sciences Limited	99.78%	1,919.12	96.38%	182.71
Subsidiary				
KIMS Hospital Enterprises Private Limited	0.00%	0.04	0.00%	-
Minority interest	0.00%	0.03	0.00%	-
Associate				
Arunodaya Hospital Private Limited	0.00%	-	3.96%	7.51
Joint Venture				
KIMS Wardak Diagnostics Centre Private Limited	-0.19%	(3.60)	-0.46%	(0.88)
Total eliminations	0.41%	7.81	0.12%	0.24
Total	**100%**	**1,923.40**	**100%**	**189.58**

Other notes

8. Interest in Joint venture

a. The Company had a 25% stake in KIMS Wardak Diagnostic Centre Private Limited, Kabul and the Group was entitled to exercise joint control in respect of operating matters in terms of the shareholders agreement.

b. Income received from joint venture during the respective period is as below:

INR in Millions

Particulars	For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 20 December 2014	For the year ended 20 December 2013
Income received	-	-	-	0.26	2.30

c. The Company has disposed off its share in joint venture with effect from 21 January 2015 and a loss of INR 0.79 millions was recognised arising out of such disposal.

d. The aggregate amounts of the assets, liabilities, income and expenses related to the Group's share in KIMS Wardak Diagnostic Centre Private Limited as at reporting period based on management accounts are given below:

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 20 December 2014	As at 20 December 2013
Balance Sheet					
Loan Funds					
Secured loan	-	-	-	-	-
Unsecured loan	-	-	-	-	-
Net Fixed Assets	-	-	-	-	-
Current assets, loans and advances					
Inventories	-	-	-	0.13	0.01
Sundry debtors	-	-	-	0.04	-
Cash and bank balances	-	-	-	0.15	0.57
Current liabilities and provisions					
Current liabilities	-	-	-	1.66	1.57
Net current assets	-	-	-	(1.34)	(0.99)
Debit balance in Statement of profit and loss	-	-	-	4.12	3.78
Particulars	**For the six months period ended 30 September 2017**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 20 December 2014**	**For the year ended 20 December 2013**
Income statement					
Income					
Income from diagnostic centre	-	-	-	4.18	7.31
Other income	-	-	-	-	-
Expenditure					
Employee benefits expense	-	-	-	1.00	0.93
Other expenses	-	-	-	3.41	6.10
Depreciation	-	-	-	0.04	-
Profit / (loss) before taxation	-	-	-	(0.27)	0.28
Provision for taxation	-	-	-	-	-
Profit / (loss) after taxation	-	-	-	(0.27)	0.28

9. Details of loans, investments, guarantees and securities given

a. Loans given by the Group

INR in Millions

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
KIMS Hospital Enterprises Private Limited						
As at the beginning of the period/year	4.96	-	-	-	-	-
Given during the period/year	6.00	4.96	-	-	-	-
Repaid / adjusted during the period/year	10.96	-	-	-	-	-
As at the end of the period/year	-	4.96	-	-	-	-
Bollineni Krishnaiah Charitable Trust						
As at the beginning of the period/year	-	-	-	0.73	0.80	0.80
Given during the period/year	-	-	-	-	-	-
Repaid / adjusted during the period/year	-	-	-	0.73	0.07	-
As at the end of the period/year	-	-	-	-	0.73	0.80
Bollineni Developers Private Limited						
As at the beginning of the period/year	-	-	-	7.50	7.50	30.00
Given during the period/year	-	-	-	-	-	-
Repaid / adjusted during the period/year	-	-	-	7.50	-	22.50
As at the end of the period/year	-	-	-	-	7.50	7.50
KIMS Foundation and Research Centre						
As at the beginning of the period/year	13.83	15.82	16.81	17.07	15.69	8.29
Given during the period/year	-	0.11	-	-	1.38	7.40
Repaid / adjusted during the period/year	3.00	2.10	0.99	0.26	-	-
As at the end of the period/year	10.83	13.83	15.82	16.81	17.07	15.69
Bollineni Castings and Steel Limited						
As at the beginning of the period/year	-	-	-	-	-	10.60
Given during the period/year	-	-	-	-	-	-
Repaid / adjusted during the period/year	-	-	-	-	-	10.60
As at the end of the period/year	-	-	-	-	-	-

All the above loans are unsecured in nature and were given for the general business requirements of the borrowers. The loans are repayable on demand.

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Consolidated Financial Information

Other notes

b. Investments by the Group

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
KIMS Hospital Enterprises Private Limited (refer Note 1)						
As at the beginning of the period/year	155.88	118.37	93.37	0.07	-	-
Investment made during the period/year	-	37.51	25.00	93.30	0.07	-
Investment sold during the period/year	-	-	-	-	-	-
As at the end of the period/year	155.88	155.88	118.37	93.37	0.07	-
Arunodaya Hospitals Private Limited (refer Note 2)						
As at the beginning of the period/year	-	-	-	-	15.00	15.00
Investment made during the period/year	-	-	-	-	41.77	-
Investment sold during the period/year	-	-	-	-	-	-
As at the end of the period/year	-	-	-	-	56.77	15.00
KIMS Wardak Diagnostic Centre Private Limited						
As at the beginning of the period/year	-	-	-	2.03	2.03	2.03
Investment made during the period/year	-	-	-	-	-	-
Investment sold during the period/year	-	-	-	2.03	-	-
As at the end of the period/year	-	-	-	-	2.03	2.03

Note 1:
The entity was subsidiary till 13 August 2013 and hence, movement has been disclosed from that year.

Note 2:
The entity became subsidiary w.e.f 28 March 2014 and hence movement has been disclosed upto that year.

c. Guarantees and security given by the Company

INR in Millions

Particulars	**As at 30 September 2017**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**
KIMS Hospital Enterprises Private Limited						
As at the beginning of the period/year	310.00	110.00	60.00	60.00	-	-
Given during the period/year	-	200.00	50.00	-	60.00	-
Repaid / adjusted during the period/year	-	-	-	-	-	-
As at the end of the period/year	310.00	310.00	110.00	60.00	60.00	-

The security has been provided for procurement of medical equipment and cash credit limits.

Krishna Institute of Medical Sciences Limited

Annexure - XXX
Notes to Restated Consolidated Financial Information

Other notes

10. During the financial year 2016-17, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	37.32	4.04	41.36
Add: permitted receipts	14.10	99.66	113.76
Less: permitted payments	-	11.93	11.93
Less: amounts deposited in banks	51.42	73.22	124.64
Closing cash in hand as on 30 December 2016	**-**	**18.55**	**18.55**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

11. Discontinuing operations:

On 2 August 2013, the shareholders of the Company approved the sale of Windmill division, a separate business segment "Electricity sales" as per Accounting Standard 17, Segment Reporting. Based on the same, the Company has sold the existing Windmill during the financial year 2013- 14 at a loss of INR 12.01 millions.

The carrying amount of assets and liabilities of Electricity Sales division to be settled are as follows:

INR in Millions

Particulars	As at 31 March 2014	As at 31 March 2013
Total assets	-	168.53
Total liabilities	-	69.05
Net assets	**-**	**99.48**

The following statement shows the revenue and expenses of continuing and discontinuing operations, as restated:

For the period 1 April 2013 to 31 March 2014:

INR in Millions

Particulars	Continuing operations	Discontinuing operations	Total
Total revenue (including other income)	3,569.08	8.24	3,577.32
Total expenses	3,410.06	20.41	3,430.47
Profit/ (loss) before tax	159.02	(12.17)	146.85
Exceptional item	-	-	-
Income-tax expense*	(103.29)	0.04	(103.25)
Profit/ (loss) after tax	55.73	(12.13)	43.60

*includes INR 0.04 millions of tax expenses (including deferred tax) for book loss on disposal of assets attributable to discontinuing operations.

For the period 1 April 2012 to 31 March 2013:

INR in Millions

Particulars	Continuing operations	Discontinuing operations	Total
Total income (including other income)	2,943.12	23.84	2,966.96
Total expenses	2,666.44	23.08	2,689.52
Profit before tax	276.68	0.76	277.44
Exceptional item	-	-	-
Income-tax expense	(95.37)	-	(95.37)
Profit/ (loss) after tax	181.31	0.76	182.07

The Net cash flows attributable to the Electricity sales division during the period 1 April 2013 to 31 March 2014 are as follows:

INR in Millions

Particulars	Continuing operations	Discontinuing	Total
Net cash inflow/ (outflow) from operating activities	742.88	32.81	775.69
Net cash inflow/ (outflow) from investing activities	(758.55)	116.11	(642.44)
Net cash inflow/ (outflow) from financing activities	(33.64)	(72.52)	(106.16)
Net cash inflow/ (outflow) for the year attributable to Electricity sale division	(49.31)	76.40	27.09

Krishna Institute of Medical Sciences Limited

Annexure - XXXI
Notes to Restated Consolidated Financial Information

Capitalisation statement

INR in Millions

Particulars	**Pre-issue as at 30 September 2017**	**As adjusted for the Issue (refer note 1 below)**
Borrowings		
Long-term borrowings (A)	1,896.86	
Current maturities of long term borrowings (B)	632.91	
Total long-term borrowings (C)=(A)+(B)	**2,529.77**	
Short-term borrowings (D)	174.67	
Total borrowings (E)=(C)+(D)	**2,704.44**	
Shareholders' funds		
Share capital		
Equity share capital (71,624,596 equity shares of INR 10 each)	716.25	
Reserves and surplus		
Securities premium	779.64	
Adjustment reserve	57.64	
Surplus i.e. balance in the restated consolidated summary statement of Profit and Loss	1,888.88	
Total Shareholders' funds (F)	**3,442.41**	
Long term borrowings / Shareholders' funds (C/F)	**0.73**	
Total borrowings / Shareholders' funds (E/F)	**0.79**	

Notes:

1. The corresponding figures (as adjusted for the Issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Krishna Institute of Medical Sciences Limited

Annexure - XXXII
Notes to Restated Consolidated Financial Information

Accounting ratios

INR in Millions, except share data and unless otherwise stated

Particulars		For the six months period ended 30 September 2017	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Restated net worth at the end of the period/year (INR in millions) (refer note 4)	**A**	3,442.41	3,264.32	2,633.57	2,384.54	1,963.20	1,923.40
Net profit after tax as per Restated Consolidated Summary Statement of profits and losses (INR in millions)	**B**	178.09	325.56	266.15	56.08	57.34	189.58
Restated net profit/(loss) after tax for the period/year ended (INR in millions): (refer Annexure II)							
For basic earnings for share	**C**	178.09	325.56	266.15	56.08	57.34	189.58
For diluted earnings per share	**D**	178.09	325.56	266.15	56.08	57.34	189.58
Weighted average number of equity shares outstanding during the period/year: (refer note 3 below)							
For basic earnings for share	**E**	71,624,596	70,661,436	70,403,856	70,334,176	69,843,754	68,872,430
For diluted earnings per share	**F**	71,624,596	70,661,436	70,403,856	70,334,176	69,843,754	70,147,730
Earnings/ (loss) per share (EPS) INR 10 each (refer note 5 below)							
- Basic (INR)	G=C/E	2.49	4.61	3.78	0.80	0.82	2.75
- Diluted (INR)	H=D/F	2.49	4.61	3.78	0.80	0.82	2.70
Return on net worth (RONW) (%)	**I=B/A**	5.17%	9.97%	10.11%	2.35%	2.92%	9.86%
Total number of equity shares outstanding at the end of the period/year	**J**	71,624,596	71,624,596	70,403,856	8,800,482	5,610,862	3,825,484
Net asset value per equity share (NAV) (INR)	**K=A/J**	48.06	45.58	37.41	270.96	349.89	502.79

Notes:

1. The above ratios have been computed on the basis of the Restated Consolidated Financial Information of the Group, associate and joint venture.

2. The ratios have been computed as below:

a) Basic earnings/(loss) per share (INR)	Restated net profit/(loss) after tax for the period/year ended for basic earnings per share / Weighted average number of equity shares outstanding during the period/year considered for calculating basic earnings per share
b) Diluted earnings/(loss) per share (INR)	Restated net profit/(loss) after tax for the period/year ended for diluted earnings per share / Weighted average number of equity shares outstanding during the period/year considered for calculating diluted earnings per share
c) Return on net worth (%)	Net profit/(loss) after tax as per Restated Consolidated Summary Statement of Profit and Loss / Restated net worth at the end of the period/year
d) Net asset value per share (INR)	Restated net worth at the end of the period/year / Total number of equity shares outstanding at the end of the period/year

3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during the period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
For the purpose of computation of basic, diluted earnings per share and net asset value per share, the equity shares as at 30 September 2017 and for all the years presented are adjusted for such bonus shares.

4. Net worth for ratios mentioned above represents the aggregate of the paid up share capital, shares to be issued pursuant to Scheme of Arrangement, securities premium, surplus in the Restated Consolidated Summary Statement of Profit and Loss and adjustment reserves created pursuant to Scheme of Arrangement (refer Annexure XXX Note 6).

5. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts Rules, 2014).

6. Pursuant to the scheme of Arrangement, the Company has allotted shares to both Transferor Company and Demerged Company in accordance with the Scheme of Arrangement as approved by the Honourable High Court of Andhra Pradesh on 27 June 2013. Had the shares been allotted before the balance sheet date the Company's paid up share capital would have been 5,100,784 equity shares of INR 10 each amounting to INR 51.00 millions as against the existing paid up share capital 3,825,484 equity shares of INR 10 each amounting to INR 38.25 millions for the year ended 31 March 2013. Accordingly, Basic and Diluted EPS for the year ended 31 March 2013 would be INR 2.70 and INR 2.70 respectively as against the reported Basic and Diluted EPS of INR 2.75 and INR 2.70 respectively.

SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The Restated Standalone Financial Statements and Restated Consolidated Financial Statements and other financial information of our Company have been prepared in accordance with standards under Indian GAAP, which differs in certain material respects from Ind AS. The areas in which differences between existing Indian GAAP vis-a-vis Ind AS could be significant to the financial position are summarised below. Ind AS being the exhaustive sets of standards, rules and interpretations, no assurance can be given that the differences listed below cover all possible differences. Further, no attempt has been made to identify differences between existing Indian GAAP and Ind AS as a result of prescribed changes in accounting standards that are effective in future periods. Regulatory bodies that promulgate the standards have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between the existing Indian GAAP and the Ind AS that may affect the financial information as a result of transactions or events that may occur in the future.

Certain principal differences between Indian GAAP and Ind AS that may have a material effect on our financial statements are summarized below. Our management has not quantified all of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our financial statements would not be materially different if prepared in accordance with Ind AS.

Potential investors should consult their own advisers for an understanding of the principal differences between the existing Indian GAAP and the Ind AS, and how these differences might affect the financial statements appearing in this document.

This is not an exhaustive list of differences between Indian GAAP and Ind AS; rather, it indicates only those key differences which are considered to be more relevant to the financial position and results of operations of the Company and does not cover all differences regarding presentation, classification and disclosure requirement applicable under Indian GAAP and Ind AS.

Ind AS No	Area	IGAAP	Ind AS requirement
1	Presentation of financial statements	No concept of Other Comprehensive Income and Statement of Changes in Equity	Other Comprehensive Income for presentation of all items of income and expense not recognized in P&L as required/permitted by other Ind AS and Statement of Change in Equity for presentation of all transactions with shareholders forms a part of financial statements.
		Minority interest is presented separately from liabilities and equity	Minority interest (referred to as non-controlling interest) is presented as a component of equity.
		No such specific disclosures required in IGAAP	Specific disclosures required for: • Critical judgment made by management in applying the accounting policies • Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.
		Proposed dividend is shown as appropriation of Profit and loss forming art of reserves	Proposed dividend is not to be recognized. No presentation of disclosure until approved by shareholders in AGM.

Ind AS No	Area	IGAAP	Ind AS requirement
		Prior period errors are included in P&L of the period in which error is discovered	Material prior period errors shall be corrected retrospectively in the first set of financial statements either by restating the comparative amounts for the prior period presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances.
12	Deferred tax	Resulting from "timing differences" between taxable and accounting income using the tax rates that have been substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty of realization in future.	Deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of: • All Ind AS opening balance sheet adjustments. • Actuarial gain and losses accounted in OCI. • Indexation of freehold land. • Fair valuation adjustments
16 and 101	Property, plant and equipment	Depreciation on straight line method over the useful lives of the assets as specified under Schedule II to the Companies Act or as estimated by the Management based on technical evaluation.	Mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.
17	Leases	Leasehold land forms part of fixed assets and is excluded from the accounting standard on leases.	Leasehold land is covered under accounting standard for leases (Ind AS 17) and a distinction is made in the treatment of operating leases and finance leases.
19	Employee benefits	Actuarial gains or losses are part of the income statement.	Actuarial gains or losses are required to be a part of OCI
108	Segments	Segments are determined on the basis of geography and business.	Segments are required to be determined based on the Chief Operating Decision Maker's ('CODM') regular review of the financial information for allocating resources and assessing performance.
109	Financial assets	Financial assets are: • initially measured at transaction price • classified on the basis of their nature. • subsequent measurements are computed at the cost less repayments, if any	Financial assets are: • initially measured at their fair values • based on the classification, it is required to be measured at its amortized cost, fair value through OCI, or fair value through P&L • After initial recognition, financial asset are measured at its amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

Ind AS No	Area	IGAAP	Ind AS requirement
	Financial liability	• Initially measured at their transaction price • Subsequently measured at principal less repayments, if any. • Transaction costs incurred in connection with long term borrowings are charged to statement of profit and loss as no future economic benefits are envisaged	Term loan from banks, other short-term borrowings and loan from directors are required to be initially measured at transaction price less transaction cost. • All borrowings and long-term rent deposits received are required to be measured at amortized cost • Transaction costs are amortized to profit or loss using the effective interest method.
	Provision for doubtful debts	Provisions are made for specific receivables based on circumstances such as credit default of customer or disputes with customers. Provisions of doubtful debts are assessed at each period end based on relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	In addition to IGAAP, under Ind AS, at each reporting date the credit risk on trade receivables has increased significantly since initial recognition shall be assessed using the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the P&L. An entity shall measure expected credit losses to reflect the following: • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
	Intra-group financial guarantees	Financial guarantee contracts (on behalf of subsidiary, associate or joint venture companies) are disclosed by way of contingent liabilities in the standalone and consolidated (given for associate and joint venture) financial statements of the parent company.	Requires all financial guarantee contracts to be recognised at fair value at inception. The fair value of the contract will be equal to the amount of premium receivable (or net present value of the premium if the same is paid over the period) determined on an arm‘s length basis. Thereafter, the same is required to be carried at the amount initially recognised less the cumulative amortization of income over the period of the contract.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Consolidated Financial Statements, including the schedules, notes and significant accounting policies thereto and the reports thereon, included in the section titled "Financial Information" beginning on page 193. Unless specified otherwise, all amounts in this section are disclosed on the basis of the Restated Consolidated Financial Statements.

Our Restated Consolidated Financial Statements have been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations. Our consolidated financial statements are prepared in accordance with Indian GAAP and the Companies Act, 2013. Indian GAAP differs in certain material respects from IFRS and U.S. GAAP. Indian GAAP also differs in certain material respects from Ind AS which will be applicable to our Company in the future. We have not attempted to quantify the impact of IFRS or U.S. GAAP or Ind AS on the financial information included in this DRHP, nor do we provide a reconciliation of our financial information to those of U.S. GAAP, IFRS or Ind AS.

This discussion contains forward-looking statements and reflects the current views of our Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Risk Factors", "Forward-Looking Statements" and "Our Business" beginning on pages 18, 17 and 122, respectively, and elsewhere in this DRHP.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year", "Fiscal" and "Fiscal Year" are to the 12 month period ended March 31 of that fiscal year.

OVERVIEW

We are one of the leading multi-disciplinary integrated private healthcare services providers in southern India, operating a chain of multispecialty hospitals with focus on tertiary and quaternary healthcare (*Source: F&S Report*). We have evolved as the largest corporate healthcare group in Andhra Pradesh and Telangana with our network of six hospitals. (*Source: F&S Report*). We offer a comprehensive bouquet of healthcare services across specialties and super specialties through our network of six hospitals under the "KIMS Hospitals" brand. Our flagship hospital at Secunderabad is one of the largest private hospitals in India at a single location (excluding medical colleges), with a capacity of 1,000 beds (*Source: F&S Report*). Spread across six cities in the states of Andhra Pradesh and Telangana, our hospitals provided services to over 381,975 and 638,529 patients (including inpatients and outpatients) the six months ended September 30, 2017 and Fiscal Year 2017, respectively.

Led by Dr. Bhaskar Rao Bollineni, Managing Director and CEO of our Company, a renowned cardiothoracic surgeon, we have grown from a single hospital to a chain of multispecialty hospitals, both organically and through strategic acquisitions. The oldest hospital in our network was established in 2000 at Nellore, by our Corporate Promoter, BRMH, with a capacity of approximately 200 beds and, as of September 30, 2017, our hospital network has grown to six multispecialty hospitals in six cities, with a total capacity of 2,120 beds, including 1,705 operational beds. We established our flagship hospital at Secunderabad in 2004 with a capacity of 150 beds, regularly adding further capacity taking the total bed capacity to 1,000, as on September 30, 2017. We believe that affordability and quality of healthcare services provided by us and track record of building long-term relationships with medical professionals and doctors, including through equity participation by them in the companies through which we operate our hospitals, has enabled our growth and helped us build a strong name for 'KIMS Hospitals', which will enable us to further establish the brand in India.

We operate and manage all our hospitals, which we believe, provides us with greater control over our facilities and helps us in our endeavour to deliver high quality and affordable healthcare services. Through our portfolio of well-established, matured facilities and newly established facilities, we provide treatment for complex and chronic diseases covering secondary, tertiary and quaternary healthcare. In addition to providing core medical, surgical and emergency services, we provide complex and advanced quaternary healthcare in various specialties under disciplines such as neurosciences, cardiac sciences, oncology, orthopaedics, renal sciences, organ transplantation and gastric sciences. In the six months ended September 30, 2017 and Fiscal Year 2017, our six facilities recorded a daily ARPOB of ₹ 19,244 and ₹ 19,151, bed occupancy rate of 72.19% and 69.10%, and an ALOS of 4.34 days and 4.16 days, on an aggregate basis. In the six months ended September 30, 2017 and Fiscal Year 2017, the daily ARPOB for our facilities situated in metropolitan and tier 1 cities was ₹ 24,392 and ₹ 24,087, whereas for facilities situated in tier 2 and tier 3 cities was ₹ 12,043 and ₹ 11,652, respectively.

During the six months ended September 30, 2017, we had a daily average of 239 inpatient admissions, 1,848 outpatients and a daily average of 81 inpatient admissions, in aggregate, in cardiology, cardiothoracic surgery, orthopaedics and neurosurgery. Our total capacity of beds has increased from 785 as on March 31, 2012 to 2,120 as on September 30, 2017. Each of our hospitals also has integrated pharmacies which cater to our patients.

Our hospitals are equipped with state-of-the-art medical equipment and employ practices and policies which help us provide quality healthcare services to our patients. We were one of the first hospitals in Hyderabad to install 4-Arm HD da Vinci Robot technology at our hospital at Secunderabad. Our flagship hospital at Secunderabad and our hospital at Rajahmundry have been accredited by the National Accreditation Board for Hospitals and Healthcare Providers, India ("**NABH**") and NABH accreditation is in process for our hospital at Kondapur. Our hospital at Secunderabad is accredited with ISO 9001:2008 certification and has also been accredited by the National Accreditation Board for Testing and Calibration Laboratories ("**NABL**"). Our hospital situated at Secunderabad was awarded the 'Healthcare Excellence Award', by the Indo Global Healthcare Summit and Expo, in 2015. It has also received awards from the Association of Healthcare Providers (India) ("**AHPI**") for nursing excellence, in 2015 and for 'Patient Friendly Hospital', in 2017. In 2017, it was awarded the best hospital of the year in the multispecialty hospital category in Hyderabad by Times Healthcare Achievers Awards and in 2016 received the Pharmacie De Qualite certification from Bureau Veritas. Further, it was the first hospital in Andhra Pradesh and Telangana to have been Green OT certified in 2016. It is also the laureate of the Asia Pacific Society of Infection Control CSSD Center of Excellence Silver Award 2015-2016. Neurology India Journal has ranked the neurology department at our hospital at Secunderabad as the third biggest centre in India on the basis of valume of epilepsy surgeries performed, as on July 31, 2016.

In addition to healthcare services, we also conduct medical education programmes through our affiliations with state medical boards and universities, for various broad and super specialties at our hospitals at Secunderabad and Rajahmundry, including for DNB, under graduation, post-graduation, PhD and diploma programmes. We are also affiliated with Kaloji Narayana Rao University of Health Sciences and the Andhra Pradesh Para Medical Board.

As of September 30, 2017, we had 766 doctors (including 383 doctors engaged on consultancy basis), 1,862 nursing staff, 1,002 paramedical staff and 1,997 administrative staff.

For the six months ended September 30, 2017, Fiscal Years 2017, 2016 and 2015 (i) our total revenue was ₹ 3,289.18 million, ₹ 5,699.31 million, ₹ 5,163.87 million and ₹ 4,238.68 million, respectively, (ii) our profit after tax was ₹ 178.09 million, ₹ 325.56 million, ₹ 266.15 million and ₹ 56.08 million, respectively, (iii) our EBITDA was ₹ 629.00 million, ₹ 1,186.04 million, ₹ 1,122.14 million and ₹ 801.46 million, respectively. From Fiscal Year 2015 to Fiscal Year 2017, (i) our total revenue grew at a CAGR of 15.96%, (ii) our profit after tax grew at a CAGR of 140.93%, and (iii) our EBITDA grew at a CAGR of 21.65%.

SIGNIFICANT FACTORS AFFECTING RESULTS OF OUR OPERATIONS

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

Patient volume and utilization rate of our facilities

Our revenue from operations is highly dependent on the number of patients who undergo diagnosis and/or treatment at our network of hospitals. The revenues from our pharmacies are also dependent on the volume of patients at our hospitals and the average ticket size (sales expenditure per bill) per patient. The number of patients registering for diagnosis and/or treatment at our network of hospitals depends on, among other things, our brand reputation, the cost of treatment, the type of services offered, the availability and reputation of our doctors and referral or recommendation by patients' physicians and publicity. The number of patients registering for diagnosis and/or treatment at our network of hospitals also depends on the economic and social conditions of local communities, the degree of competition from other healthcare facilities and seasonal illness cycles.

During the six months ended September 30, 2017 and Fiscal Year 2017, we provided services to over 381,975 and 638,529 patients (including inpatients and outpatients), at our network of hospitals. A significant percentage of the patient registrations in our network are at our hospital at Secunderabad. Our hospital at Secunderabad recorded 38.99%, 44.79%, 46.26% and 45.08%, respectively of our total patient registrations during the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015 and contributed 70.30%, 72.86%, 74.62% and 70.73%, respectively, to our revenue from operations for the same periods. Our hospital at Secunderabad also contributes more to our total revenue from operations due to high-end specialised procedures and services being provided, given its location and the profile of patients that it caters to. Our hospital at Kondapur became operational in 2014 and with the addition of our hospital at Ongole to our network as well as other new facilities to our network of hospitals, we expect this revenue concentration to decrease over time.

The utilization rate of our facilities primarily depends on our bed occupancy rates, which is critical to optimize profitability at our facilities and forms an integral part of our management information system. We monitor utilization rates closely. Under-utilization serves as an input for our marketing strategy and high utilization serves as an indicator of a need to increase existing capacity. The important factors influencing the overall utilization rate of our facilities include the quality and market position, the number, quality and specialties of our doctors as well as growth in local population and local economic conditions. Utilization across the healthcare industry is also affected by improved treatment protocols as a result of advances in medical technology and pharmacology.

Average occupancy rates in our network of hospitals were 72.19%, 69.10%, 67.45% and 62.85% in the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, respectively. As a significant portion of inpatient revenues are typically derived from medical services provided in the initial two to three days of a patient’s stay in hospital, we aim to reduce the average length of stay (“**ALOS**”), which would lead to an increase in patient turnover and result in higher operating efficiency. Through the adoption of improved medical technology, advancements in medical treatments and efficient process for diagnosis of patients, we have managed to reduce the ALOS of patients in our network of hospitals to an ALOS per patient of 4.16 days in Fiscal Year 2017 as compared to an ALOS per patient of 4.25 days in Fiscal Year 2015. However, the ALOS in the six months ended September 30, 2017 has increased to 4.34 due to increase in number of high end and critical procedures carried out during this period and due to higher ALOS in our hospital situated at Ongole, which started operations in the current Financial Year. Further, our average revenue per occupied bed in our network of hospitals (including our hospital at Kondapur) increased from ₹ 16,755.51 in Fiscal Year 2015 to ₹ 19,244.25 in the six months ended September 30, 2017.

Revenue sources

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements, where all or part of the payment is payable by a third party payer as per the terms of relevant agreement that we enter into with such payers. The out-of-pocket spend on healthcare in India, as a percentage of total healthcare expenditure has reduced from 67.9% in year 2000 to 62.4% in 2014 (*Source: F&S Report*). For the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, 40.36%, 42.79%, 46.77% and 51.76% of our total inpatient billed revenue was billed to cash paying patients, accounting for 38.72%, 37.65%, 41.27% and 47.76%, respectively, of the total number of inpatients serviced by us during such period.For the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, 91.97%, 91.89%, 93.01% and 94.27% of our total outpatient billed revenue was billed to cash paying patients, accounting for 74.30%, 74.97%, 81.95% and 81.90%, respectively, of the total number of outpatients serviced by us during such period. As the Indian healthcare market matures, and the government initiatives such as RSBY and Aarogyasri scheme as well as implementation of universal health insurance scheme by public sector insurance companies enable access to healthcare coverage to larger sections of population, it is expected that higher insurance coverage will reduce out of pocket expenditure on healthcare (*Source: F&S Report*). Accordingly, we expect revenue contribution from the third party payers to continue to grow. Such third party payers include public sector undertakings, central and state governments, private and public insurers and other private organisations. Each third party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment. The fees charged to insurance companies for outpatient and inpatient services vary depending on the services provided to the patient and the type of insurance policy. The fees charged to private insurance companies are also based on negotiations with each insurance company and is comparable to cash paying patients. However, fees charged to public insurers, public sector undertakings and central and state government are typically at a discount to the fees payable by cash paying patients. For the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, we billed ₹ 1,567.56 million, ₹ 2,636.93 million, ₹2,230.71 million and ₹ 1,585.47 million, respectively to third party payers, which represented 48.16%, 46.87%, 43.99% and 38.09%, respectively of our total inpatient and outpatient billed revenue. Further, the revisions of rates charged to private insurance companies are typically conducted on an annual basis or once in two years and depends on the scale, quality of medical services and reach of the healthcare provider, whereas revision of rates for public sector undertakings typically occurs once in three to four years. If the applicable tariffs pursuant to such third party payer agreements are revised downwards, or if the extent of coverage or limits are reduced, or if the payment terms are made longer, or if the reimbursement policies are changed in the agreements with such payers, our revenue and profitability could be adversely affected.

Our revenues are also dependant on ratio of inpatients treated at our facilities and the outpatients who avail of services offered. Typically, in the initial stages of operation of a hospital, the number of outpatients is higher, and as the facility matures, the number of inpatients availing of services at such facility increases due to reputation of the hospitals and the facilities offered as well as increase in catchment area of the hospital. Our inpatient volumes have grown steadily over the years. The number of inpatients admitted to our hospitals was 43,747 in the six months ended September 30, 2017, 77,914 in Fiscal Year 2017, 71,619 in Fiscal Year 2016 and 60,879 in Fiscal Year 2015. The number of outpatients who underwent treatment at our hospitals was 338,228 in the six months ended September 30, 2017, 560,615 in Fiscal Year 2017, 528,075 in Fiscal Year 2016 and 473,326 in Fiscal Year 2015.

Charges for inpatient and outpatient services also vary significantly depending on the type of service, such as preventive care, medical, surgical, or intensive care. In the six months ended September 30, 2017 and Fiscal Year 2017, we have seen high contribution of inpatient volumes from the following tertiary and quaternary care departments: 25,971 and 47,618 patients from cardiac sciences, renal sciences, oncology and neurosciences, during the six months ended September 30, 2017 and Fiscal Year 2017, respectively. We expect these departments and services to continue to contribute significantly in the near future as a result of changing demographics and the increasing affluence of the population leading to an increase in lifestyle-related diseases such as heart diseases, cancer and diabetes, and as the shortage of supply of tertiary care services continues. Further, profit margins at our onsite pharmacies are also affected by government policies which regulate pricing of items sold at our pharmacies. For example, the National Pharmaceutical Pricing Authority recently set a ceiling on the sale price of cardiac stents, a mesh tube placed in arteries with a view to improve the blood flow to the heart.

Expansion

We have continuously invested in bed capacity creation and have increased the bed capacity at our hospitals from approximately 200 beds at our hospital at Nellore at the time of its establishment in the year 2000 to an aggregate of 2,120 beds in six hospitals as of September 30, 2017. We have grown by establishing new hospitals on our own, as well as through acquisitions, and expanding or upgrading our existing facilities. We expect these to continue to be the key drivers for our future growth.

While our hospital at Secunderabad was set up by our Company in 2004, our hospital at Nellore, set up by our Promoter, BRMH, became operational in 2000 and thereafter transferred to our Company pursuant to the 2012 Scheme. Our hospital at Rajahmundry was initially set up as a proprietary concern of Rajyasri Bollineni, a member of our Promoter Group and thereafter transferred to BHCL, becoming operational in 2002. Pursuant to the 2012 scheme, BHCL was amalgamated with our Company and the ownership of the hospital at Rajahmundry was consequently transferred to our Company. Our Company acquired our hospital at Ongole in November 2016, pursuant to a slump sale agreement with OAHPL. Further, our subsidiary Arunodaya Hospitals Private Limited set up the hospital at Srikakulam which became operational in 2011 and our associate KHEPL set up the hospital at Kondapur which started operations in 2014. When evaluating the viability of a greenfield opportunity, we consider our relationship with the doctors-partners in the region, the demographics and revenue potential of the local population, the competitive landscape, location, pricing structure and cost and while evaluating a brown-field opportunity we also consider, the skills, specialty and reputation of doctors and other medical and non-medical staff, the work culture of the institution and the quality of the infrastructure. We expand our facilities by increasing the number of beds and doctors and through strategic relocation to locations than can house larger facilities. For details in relation to our strategy on expansion, please see "*Our Business – Our Strategies - Expand our geographical presence through organic and inorganic expansion*" on page 127.

Each new hospital goes through an initial ramp-up period during which period the operating expenses of the hospital exceeds its revenue resulting in an operating loss. If we establish additional facilities through acquisitions, our intangible assets may increase and the resulting amortisation expenses may, to a significant extent, offset the benefit of the increase in revenue generated from hospitals established through acquisitions. Much of the infrastructure for a new facility must be put in place when a facility commences operations and many operating expenses, including medical consultancy charges and rent are required to be incurred regardless of patient intake. Thus, initially, operating expenses will represent a higher percentage of a facility's total revenue until patient volumes reach targeted levels.

Furthermore, the proposed expansion of our network of hospitals in southern, central and eastern India and strengthening and growth of our existing hospitals in Secunderabad may increase our capital expenditure. Our ability to acquire or build and operate a new hospital, or expand our existing hospitals, will be subject to various factors that may involve delays or problems, including, without limitation, delays in project execution resulting in significant time and cost overruns, delays or failure in receiving government approvals, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. In addition to the costs relating to the development or acquisition of the facility, we typically take a number of steps, such as increasing our marketing efforts at the initial stages, when we add a hospital to our network. These efforts often result in additional costs relating to the offered services, facilities and medical staff. Our new hospitals go through a gestation period before it matures (particularly with respect to occupancy rates) and may operate at a loss for a certain period before achieving profitability. For instance, our hospital at Kondapur became operational in 2014 and became profitable within nine months. During such gestation period, the capital expenditure towards such hospital will not contribute towards profitability and will therefore reflect negatively on our financial condition. Therefore, the financial performance of a newly added hospital may adversely affect our overall operating margins.

In the past, we have discontinued operations of our facility at Vijaywada, Andhra Pradesh in fiscal year 2015, due to non-renewal of the lease by the lessor. Even though all of our hospitals are either located on owned land or land taken on long-term lease, in case we are required to discontinue operations at any of our facilities, our results of operations could be adversely affected.

As we expand our capacity and network of hospitals, we expect our operating expenses to continue to increase correspondingly in absolute terms.

Consultants' charges and employee costs

We engage and have historically engaged, doctors on a consultancy basis. As at March 31, 2015, March 31, 2016, March 31, 2017, and September 30, 2017, we engaged with 280, 273, 295 and 311 doctors, respectively, on a consultancy basis. Compensation paid to such doctors is recorded as "consultancy charges" in our financial statements. Our expenses towards consultancy charges constituted a significant portion of our total expenses and revenue, accounting for 23.04%, 23.05%, 21.90% and 21.35% of our total expenses for the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, respectively. Our ability to attract and retain specialist physicians is critical to our success and, we expect professional fees paid to our doctors to increase as our patient volumes and revenue from operations increase.

Further, the healthcare industry is relatively labour intensive and wages and other operating expenses have shown an upward trend. Expenses on employee benefits constituted a significant portion of our total expenses, representing 18.71%, 17.19%, 15.63% and 16.33% respectively of our total revenue for the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015. In the future, we expect our employee benefits expense to increase in absolute terms, as a result of expansion of our network of hospitals, growth in our business and upward pressure on salaries for healthcare professionals. Our new hospitals will require to be fully staffed even when the patient intake do not reach target levels. Our employee benefits expense will represent a higher percentage of our revenue in respect of such new facilities before they reach maturity. We try to offset the effects of increasing operating costs by measures such as expanding our range of services, continuing to focus on high end quaternary care, rationalizing manpower and implementing other cost control policies.

Cost of medical consumables and equipment

Cost of medical consumables and pharmacy items consumed represents one of our most significant expenses. This includes disposable medical supplies, as well as drugs and consumables administered to a patient while on-site at our hospitals and includes customs duty and freight charges. For the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, our cost of medical consumables and pharmacy items consumables represented 23.97%, 24.30%, 24.37% and 26.40%, respectively of our total revenue.

We capitalised ₹ 394.68 million, ₹ 152.53 million, ₹ 79.82 million, ₹162.19 million for medical and surgical equipment during the six months ended September 30, 2017 and Fiscal Years 2015, 2016 and 2017, respectively. Further, for the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, our cost of repairs and maintenance of medical equipment, represented 1.74%, 2.14%, 1.97% and 2.28%, respectively of our total revenue. We have a dedicated purchase department which undertakes centralised purchase of our supplies and equipment for our hospitals. All supplies are purchased from vendors which are approved and rated, by the Purchase Committee after taking into account various factors including resources, price and status of trial orders. All medical equipment is purchased only after the obtaining quotations from various vendors, and once the Purchase Committee has satisfied itself of the commercial and technical aspects of the equipment. We try to reduce our costs of consumption through our efforts in centralizing the procurement function and formulary development, which allows us to maximize the utilization of drugs and lower the overall cost of consumption, and by implementing measures to improve our operating efficiencies.

We expect our cost of consumption to increase in absolute terms as we continue to expand our network of hospitals and expand our existing hospitals and business. We expect that while prices for drugs and consumables will increase in the future, improved economies of scale and greater bargaining power that comes with a larger network may offset the cost of drugs, as a percentage of our total expenses.

SIGNIFICANT ACCOUNTING POLICIES

1. Significant accounting policies

a. Basis of preparation of Restated Consolidated Financial Information

The Restated Consolidated Financial Information to the group and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Financial Information consist of the Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017, the Restated Consolidated Summary Statement of Profit and Loss for the years ended 31 March 2013,31 March 2014, 31 March 2015, 31 March 2016,31 March 2017 and for the six months period ended 30 September 2017 and the notes thereto and the Restated Consolidated Summary Statement of Cash Flow for the years ended 31 March 2013, 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and for the six months period ended 30 September 2017 and annexures thereto (hereinafter collectively referred to as "the Restated Consolidated Financial Information").

The Restated Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 notified by SEBI on August 26, 2009, as amended from time to time ("the SEBI ICDR Regulations"). The 2013 Act and the SEBI ICDR Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years immediately preceding the issue of the Prospectus. These Restated Consolidated Financial Information were approved by the Board of Directors of the Company in their meeting held on 27 November 2017.

The Restated Consolidated Financial Information of the group are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under the Companies (Accounting Standards)

Rules, 2006 which continue to apply under Section 133 of 2013 Act [which has superseded section 211(3 C) of the Companies Act 1956 w.e.f. 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India ('the ICAI"), and the provisions of the 2013 Act to the extent notified and applicable.

The Restated Consolidated Financial Information are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the group. The accounting policies have been consistently applied by the group. The Restated Consolidated Financial Information are presented in Indian rupees, rounded off to the nearest millions with two decimals except for earnings / (losses) per share details and where not mentioned otherwise.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective period/year adjustment in the financial statements;

(b) Adjustments for the material amounts in respective period/years to which they relate

(c) Adjustments for previous period/years identified and adjusted in arriving at the profits of the period/years to which they relate irrespective of the period/year in which the event triggering the profit or loss occurred;

(d) Adjustments, if any, to the profits or losses of the earlier period/years and of the period/year in which the change in the accounting estimates has taken place is recomputed to reflect what the profits or losses of those period/years would have been if a uniform accounting estimate was followed in each of these period/years;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the group as at and for the six months period ended 30 September 2017 and the requirements of the SEBI ICDR Regulations;

(f) The resultant impact of deferred tax due to the aforesaid adjustments.

Basis of consolidation

The Restated Consolidated Financial Information ("CFS") include the financial statements of Krishna Institute of Medical Sciences Limited ("KIMS" or "the Company" or "the Holding Company") together with its subsidiaries (collectively termed as "the Group" or "the consolidated entities") , associate and joint ventures are prepared under the historical cost convention on accrual basis of accounting and comply with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 6 and 7 of the Companies (Accounts) Rules, 2014, in particular Accounting Standard 21 (AS 21) - "Consolidated Financial Statements", Accounting Standard 23 (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements", and Accounting Standard 27 (AS 27) - "Financial Reporting of Interests in Joint Ventures in Consolidated Financial Statements", the provisions of the Act to the extent applicable and other accounting principles generally accepted in India. The Restated Consolidated Financial Statement are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements. Appropriate disclosure as applicable is made of significant deviations from the Group’s accounting policies which have not been adjusted. The Restated Consolidated Financial Statement are presented in Indian Rupees (INR).

The Restated Consolidated Financial Information include the standalone financial statements of the Company, and all of its subsidiaries, in which the parent has more than one-half of the voting power of an enterprise or where the Company controls the composition of the board of directors. In accordance with AS 27, the Company has accounted for its proportionate share of interest in joint venture by the proportionate consolidation method.

The Restated Consolidated Financial Information have been prepared on the following basis:

a) The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries

b) The proportionate share of Company's interest in Joint Ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intragroup transactions and resulting unrealized profits, to the extent it pertains to the Group.

c) The excess / deficit of cost to the parent company of its investment in the subsidiaries and joint venture over its portion of equity at the respective dates on which investment in such entities were made is recognized in the consolidated financial statements as goodwill/ capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not Principles available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

d) The gains or losses arising from the disposal of investments in subsidiary is transferred to the consolidated Consolidated statement of profit and loss. Such gains or losses are the difference between the sale proceeds and the net carrying values of the investments.

e) Minority interest in the net assets of consolidated subsidiary consists of:
i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made;
ii) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence; and
iii) Losses are restricted to the extent of balance of minority interest.

f) Accounting for investments in associate companies has been carried out under the equity method of accounting prescribed under Accounting Standard 23 - "Accounting for Investments in Associates in consolidated financial statements" wherein goodwill/capital reserve arising at the time of acquisition, and the Group's share of profit or loss after the date of acquisition have been adjusted in the investment value.

g) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognized as "Goodwill on Consolidation" being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on date of investment is in excess of cost of investments of the Group, it is recognized as "Capital Reserves" and shown under the head "Reserves and Surplus" in the special purpose consolidated financial statements.

List of subsidiaries with percentage of holding considered in Consolidated Financials Statements.

Name of the subsidiaries	Country of incorporation	Proportion of ownership/ voting power as at 30 September 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2016 (in %)	Proportion of ownership/ voting power as at 31 March 2015 (in %)	Proportion of ownership/ voting power as at 31 March 2014 (in %)	Proportion of ownership/ voting power as at 31 March 2013 (in %)
Arunodaya Hospitals Private Limited ("Arunodaya")	India	57.83%	57.83%	57.83%	55.85%	53.85%	-
KIMS Hospital Enterprises Private Limited	India	-	-	-	-	-	74%
KIMS Swastha Private Limited	India	100%	100%	99.98%	0.00%	-	-

KIMS Cuddles Private Limited	India	100%	100%	-	-	-	-
KIMS Sahariah Healthcare Private Limited	India	99.90%	99.90%	-	-	-	-
KIMS Hospitals Private Limited	India	100%	100%	99.80%	99.80%	-	-
KIMS Hospital (Bhubaneswar) Private Limited	India	99.99%	99.99%	-	-	-	-

List of Associate with percentage of holding considered in Consolidated Financials Statements

Name of the Associate	Country of incorporation	Proportion of ownership/ voting power as at 30 September 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2016 (in %)	Proportion of ownership/ voting power as at 31 March 2015 (in %)	Proportion of ownership/ voting power as at 31 March 2014 (in %)	Proportion of ownership/ voting power as at 31 March 2013 (in %)
KIMS Hospital Enterprises Private Limited	India	43.75%	46.77%	46.12%	42.75%	-	-
Arunodaya Hospitals Private Limited ('Arunodaya')	India	-	-	-	-	-	26%

List of Joint Venture with percentage of holding considered in Consolidated Financials Statements.

Name of the Joint Venture	Country of incorporation	Proportion ownership/ voting power as at 30 September 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2017 (in %)	Proportion of ownership/ voting power as at 31 March 2016 (in %)	Proportion of ownership/ voting power as at 31 March 2015 (in %)	Proportion of ownership/ voting power as at 31 March 2014 (in %)	Proportion of ownership/ voting power as at 31 March 2013 (in %)
KIMS Wardak Diagnostic Centre Private Limited	Afghanistan	-	-	-	-	25%	25%

b. Use of estimates

The preparation of the Restated Consolidated Financial Information in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

c. Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

i. it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
ii. it is held primarily for the purpose of being traded;
iii. it is expected to be realized within 12 months after the reporting date; or
iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at

least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. 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 settled in the company's normal operating cycle;
ii. It is held primarily for the purpose of being traded;
iii. It is due to be settled within 12 months after the reporting date; or
iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Group has ascertained its operating cycle as twelve months that is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

d. Fixed assets and depreciation

Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation, impairment losses if any. The cost of Property, plant and equipment comprises the purchase price, non- refundable taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
The cost of Property, plant and equipment acquired but not ready for their intended use as at the balance sheet date are disclosed as capital work-in-progress. Indirect expenditure including borrowing cost to the extent incidental to construction of Property, plant and equipment is disclosed under Expenditure during construction period and will be allocated to fixed asset on being put to use.

The Group provides depreciation under straight line method on Property, plant and equipment, other than leasehold land and assets costing less than INR 0.005 millions based on the useful life specified in schedule II of the Companies Act, 2013, as in the opinion of the management, the same reflects the estimated useful life. Depreciation is calculated on pro-rata basis from the date on which the assets are ready for use or till the date the assets are sold or disposed off.

Leasehold land is in the nature of perpetual lease and is not amortised. Leasehold improvements are depreciated on straight line method over the period of the lease agreement or the estimated useful life, whichever is lower. Assets costing less than INR 0.005 millions based on internal assessment and materiality the management has estimated that the same shall be depreciated in the year of purchase.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Consolidated statement of profit and loss.

Intangible assets

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets under development are capitalized only if the Group is able to establish control over such assets and expects future economic benefit will flow to the Group. Intangible assets other than the goodwill on consolidation are amortized in the Consolidated statement of profit and loss over their estimated useful lives from the date they are available for use based on the expected pattern of economic benefits of the asset. Accordingly, Software is being amortised on straight line basis over a period of three to six years.

e. Borrowing cost

Borrowing cost directly attributable to acquisition of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

f. Investments

Investments are classified as current investments if the management does not intend to hold the investments for more than one year. Investments other than current investments are classified as long-term investments. Long-term investments are carried at cost. Provision is made, wherever necessary, for any dimunition, other than temporary, in the value of investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Consolidated statement of profit and loss.

g. Inventories

Inventories comprising of medical consumables and pharmacy items are valued at the lower of cost or net realisable value. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The Group follows the weighted average method for determining the cost of such inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis.

h. Employee benefits Defined contribution plans

The Group makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Group’s contribution is recognised as an expense in the Consolidated statement of profit and loss during the period in which the employee renders the related service.

Defined benefits plan

The Group provides for gratuity, a defined benefit plan covering eligible employees. For Holding Company gratuity is covered under a scheme administered by the Life Insurance Corporation of India (Group Gratuity scheme) and the contributions made by the Company to the scheme are recognised in Consolidated statement of profit and loss. The liability recognised in the Balance Sheet in respect of defined benefit plans for the Holding Company is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. With respect to subsidiary and associate, liability is recognised based on actuarial valuation as at the balance sheet date. The calculation of the Group’s obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising during the year are immediately recognised in the Consolidated statement of profit and loss.

Compensated absences

Compensated absences, is a long-term employee benefit, and accrued for the Holding Company based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by qualified independent actuary. Actuarial gains and losses arising during the year are immediately recognised in the Consolidated statement of profit and loss. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

In case of subsidiary, provision for un-availed compensated absence are calculated on actual basis, as per eligibility and recognised in the Consolidated statement of profit and loss.

i. Revenue recognition

(a) Revenue from operations

(i) Income from hospital services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered, to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. Revenue is recognised net of discounts and concessions given to the patients. Revenue from sale of pharmacy is recognised when all significant risk and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.
(ii) Revenue from admission fees, tuition fees and other fees for academic courses are recognized on the due date for the receipt of the fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received. Application processing fees are recognized as revenue on receipt of the fees.
(iii) Revenue from sale of electricity generated from wind power is recognised on accrual basis as per the terms of the power purchase agreement entered into with Tamil Nadu Electricity Board.
(iv) Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method.
(v) Dividend income it recognised when the unconditional right to receive the payment is established.

j. Income tax

Income tax expense comprises of current tax, deferred tax and Minimum Alternate Tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Group and associate.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed at each balance sheet date and is written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred tax liabilities relate to same taxable entity and same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternative Tax (‘MAT’) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

k. Earnings per share (EPS)

Basic earnings per share is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

l. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period/year are recognised in the Consolidated statement of profit and loss.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the Consolidated statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

As per the notification issued by the Ministry of Corporate Affairs vide notification dated 31 March 2009 and subsequent notification issued dated 29 December 2011, the Group has adjusted exchange differences arising on reporting of long term foreign currency monetary items to the cost of the asset, where such long term foreign currency monetary items related to acquisition of a depreciable capital asset (whether purchased within or outside India) and has depreciated such foreign exchange gain / losses over the asset's balance useful life.

m. Cash flow statement

Cash flows are reported using the indirect method, whereby consolidated net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

n. Operating lease

Assets acquired under leases other than finance leases are classified as operating leases. The Group has not entered into any non-cancellable operating or finance leases. Lease payments made under cancellable operating leases are disclosed as rent and the same are recognised as an expense in the Consolidated statement of profit and loss. Initial direct costs incurred is recognised in the Consolidated statement of profit and loss over the period of the lease.

Lease income is recognised on a time proportionate method based on rates agreed between the parties.

o. Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units maybe impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment has been recognised.

p. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liability do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

q. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Group considers all highly liquid investments with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

1. Impact of material adjustments

The summary of the adjustments made to the audited consolidated financial statements for the respective period/years and its effect on the profits/ (losses) of the Company for respective period/years is provided below:

(₹ *in Millions*)

Particulars	Note	For the six months period ended 30 September 2017	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013
Net Profit after tax as per audited statement of profit and loss		178.09	322.21	225.42	114.06	67.48	179.58
Adjustments on account of: Trade receivables written off	4(a)	-	6.11	23.61	(1.99)	(20.23)	0.74

Advances written off	4(b)			10.00			
Tax expenses - pertaining to earlier years	4(c)		1.57	1.92	(1.62)	0.32	(0.82)
Depreciation as per Companies Act 2013	4(d)					1.87	(1.07)
Liabilities no longer required written back	4(e)			(2.44)	(6.95)	2.78	(6.28)
Interest income on income tax refunds	4(f)		(2.96)	(3.41)	4.69	1.56	0.12
MAT credit written off	4(g)			20.03		(11.12)	(8.91)
Change in share of profits from Associate on account of restatement (Arunodaya Hospitals Private Limited)	4(h)					4.92	3.01
Restatement of depreciation for uniform accounting policy	4(i)				(37.66)		
Changes in minority interest due to restatement	4(j)		(1.49)	(0.10)	(3.40)	(0.07)	
Restatement of Goodwill (Arunodaya Hospital Private Limited)	4(k)					10.23	
Total impact of the adjustments		**-**	**3.23**	**49.61**	**(46.93)**	**(9.74)**	**(13.21)**
Tax impact on adjustments	4(l)		(0.12)	8.88	11.05	0.40	(23.21)
Total adjustments		**-**	**3.35**	**40.73**	**(57.98)**	**(10.14)**	**10.00**
Profit after tax, as restated		**178.09**	**325.56**	**266.15**	**56.08**	**57.34**	**189.58**

2. Restatement adjustments made in the audited opening balance of Surplus in the Statement of profit and loss as at 1 April 2012

(*₹ in millions*)

Particulars	Note	Amount
Surplus in the Statement of profit and loss as at 1 April 2012		**870.73**
Material items relating to previous years		
Trade receivables written off	4(a)	(8.24)
Advances written off	4(b)	(10.00)
T ax expenses - pertaining to earlier years	4(c)	(1.37)
Depreciation as per Companies Act 2013	4(d)	(42.87)
Liabilities no longer required written back	4(e)	13.51
Change in share of profits from Associate on account of restatement (Arunodaya Hospitals Private Limited)	4(h)	0.84
Total impact of the adjustments		**(48.13)**
T ax impact on adjustments	4(l)	11.49
Total adjustments		**(36.64)**
Surplus in the statement of profit and loss as at 1 April 2012		**834.09**

Notes:

3. The above statement should be read with the Group overview and Significant accounting policies as appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Financial Information appearing from Annexure VI to Annexure XXXII.

Statement of Restatement adjustments to the Audited Consolidated Financial Statements

4. Explanatory notes for the restatement adjustments

a. Trade receivables written off

Trade receivables written off were adjusted in arriving at the profits / (losses) for the years to which they relate irrespective of the year / period in which the event triggering the profit or loss has occurred.

b. Advances written off

Advances written off were adjusted in arriving at the profits / (losses) for the years to which they relate irrespective of the year/ period in which the event triggering the profit or loss has occurred

c. Tax expenses pertaining to earlier years

Consequent to completion of income-tax assessment for certain years, the Company paid additional taxes/ received additional refund which were recorded in the year of completion of such assessments. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to.

d. Depreciation as per Companies Act 2013

Pursuant to the notification of Schedule II of the Companies Act, 2013 ("the 2013 Act"), by the Ministry of Corporate Affairs effective 1 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the 2013 Act, for companies incorporated in India. Consequently, the carrying amount as at 1 April 2014 is being depreciated over the revised remaining useful life of the asset. The carrying value of INR 41.90 millions in case of assets with nil revised remaining useful life as at 1 April 2014 was reduced from the retained earnings as at such date. The same has been adjusted in the respective years.

e. Liabilities no longer required written back

During each of the years, the Company reversed certain liabilities which were considered as no longer payable and recognised as other income. Since, these were relating to earlier years, the reversal has been now reflected in respective year's liabilities no longer required written back under other income.

f. Interest income on income-tax refund

Interest income has been restated to the period for which the Group has received the income.

g. MAT credit written off

The Group had recognised MAT credit entitlement which was reversed during year ended 31 March 2016. Accordingly, such reversal of MAT credit entitlement has been adjusted in the respective year to which it relates.

h. Change in share of profit from Associate on account of restatement

Share of profit from associates has been changed as per the restatement done for the associate Arunodaya Hospitals Private Limited.

i. Restatement of depreciation due to change in estimates (life)

During the year ended 31 March 2014 Arunodaya Hospitals Private Limited became subsidiary of the Company. Reserves has been adjusted for the depreciation impact for uniform accounting policy.

j. Changes in minority interest due to restatement

During the year ended 31 March 2014 Arunodaya Hospitals Private Limited became subsidiary of the Company. Minority share have been adjusted for the depreciation impact due to uniform accounting policy.

k. Restatement of Goodwill

Goodwill write off has been adjusted in the year of its recognition.

l. Tax expense

Tax effects of the above restatement adjustments have been adjusted in the respective years.

5. Material regroupings

Appropriate adjustments have been made in the Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profits and losses and Restated Consolidated Summary Statement of Cash Flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them inline with the regroupings as per the audited financial statements of the Company for the six months period ended 30 September 2017, prepared in accordance with Schedule III of the Companies Act 2013, and the requirements of the SEBI ICDR Regulations.

6. Non-adjusting items

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 ("the CARO 2003 Order") issued by the Central Government of India under sub-section (4A) of Section 227 of Companies Act 1956 on the standalone financial statements as at and for the financial years ended 31 March 2013 and31 March 2014, Companies (Auditor's Report) Order, 2015 ("the CARO 2015 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone and consolidated financial statements as at and for the financial year ended 31 March 2015 and the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act on the standalone financial statements as at and for the financial years ended 31 March 2016 and 31 March 2017 respectively. Certain statements/comments included in audit opinion on the consolidated and standalone financial statements and the CARO, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

DESCRIPTION OF MAIN LINE ITEMS OF OUR PROFIT AND LOSS STATEMENT

Revenue

Revenue from operations

Our revenue from operations comprises of income from delivery of healthcare services at our hospital, income from our onsite pharmacies and other operating income. Other operating income primarily comprises of income from sale of food and beverages at our canteens, income from academic programmes and training and from overhead charges for clinical trials conducted by our doctors pursuant to tripartite agreements between us, our doctors and third party sponsors.

Other income

Our other income consists of interest income, liabilities no longer required to be written back, lease income, profit on sale of vehicles and sale of scrap, payments made by employees under employment bonds upon termination of services and income generated on account of conducting CME programs.

Expenses

Our expenses consists of medical consumables and pharmacy items consumed, operating expenses, employee benefit expenses, finance cost, depreciation and amortization expense and other expense.

Medical consumables and pharmacy items consumed

Medical consumables and pharmacy items consumed primarily reflect the purchase of medicines, consumables and other items necessary for the provision of healthcare services during the period/year, as adjusted for the existing inventory. See also, "*Managements Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Results of our Operations – Cost of medical consumables and equipment*" on page 332.

Operating expenses

The most significant component of operating expenses is consultancy charges, which comprise of professional fees paid to our medical consultants, who act as independent contractors. Apart from this, other components for our operating expenses include housekeeping expenses, power and fuel, catering and patient welfare expenses, rental expenses of medical equipments, hospitals, offices and residential premises under cancellable operating lease arrangements, tests and investigations outsourced by our hospital to outside facilities, expenses in relation to academic courses, repairs and maintenance of medical equipment, hospital building and others.

Employee benefit expenses

Employee benefit expenses consist of salaries, wages and bonus, contribution to provident and other funds and staff welfare expenses.

Finance cost

Finance cost consists of interest on term loans, interest on other loans and other borrowing cost.

Depreciation and amortization expenses

Depreciation and amortization expenses consist of depreciation on tangible assets such as land, buildings, plants and equipment, medical and surgical equipment, electrical equipment, computer and related assets, furniture and fixtures and amortization of intangible assets such as software.

Pursuant to the Schedule II of the Companies Act, 2013 during the year ended March 31, 2015 (effective April 1, 2014), our Company, based on internal technical evaluation revised the estimate useful life of certain tangible fixed assets, such as office equipment, electrical installation, medical equipment, and furniture and fixtures.

Other expenses

Other expenses consist of printing and stationery, legal and professional charges, rates and taxes, trade receivables written off, travelling and conveyance, advertisement and publicity, medical camps and marketing expenses, repairs and maintenance (others), communication expenses, provision for doubtful receivables, provision for loss on sale of assets, insurance, subscription and membership fees, loss on sale of investment, donation, bank charges, contribution towards corporate social responsibility and miscellaneous expenses.

OUR RESULTS OF OPERATIONS

Set forth below is our audited and restated consolidated statement of profit and loss, the components of which are expressed as a percentage of total revenue for the periods indicated. For further information with respect to restatement adjustment, see "*Financial Statements*" page 193.

Particulars	**For the six months ended September 30, 2017**		**For the year ended March 31**					
			2017		**2016**		**2015**	
	In ₹million	**% of total revenue**	**In ₹million**	**% of total revenue**	**In ₹million**	**% of total revenue**	**In ₹million**	**% of total revenue**
Revenue								
Revenue from operations	3,277.62	99.65%	5,671.38	99.51%	5,118.17	99.12%	4,196.78	99.01%
Other income	11.56	0.35%	27.93	0.49%	45.70	0.88%	41.90	0.99%
Total revenue	**3,289.18**	**100.00%**	**5,699.31**	**100.00%**	**5,163.87**	**100.00%**	**4,238.68**	**100.00%**
Expenses								
Medical consumables and pharmacy items consumed	788.32	23.97%	1,384.95	24.30%	1,258.22	24.37%	1,118.85	26.40%
Operating expenses	1,091.56	33.19%	1,871.55	32.84%	1,680.17	32.54%	1,430.67	33.75%
Employee benefit expenses	615.34	18.71%	979.75	17.19%	807.23	15.63%	692.32	16.33%
Other expenses	164.96	5.02%	277.02	4.86%	296.11	5.73%	195.38	4.61%

Particulars	For the six months ended September 30, 2017		For the year ended March 31					
			2017		2016		2015	
	In ₹million	% of total revenue	In ₹million	% of total revenue	In ₹million	% of total revenue	In ₹million	% of total revenue
EBITDA*	**629.00**	**19.12%**	**1,186.04**	**20.81%**	**1,122.14**	**21.73%**	**801.46**	**18.91%**
Depreciation and amortisation	196.51	5.97%	351.34	6.16%	354.98	6.87%	322.67	7.61%
EBIT**	**432.49**	**13.15%**	**834.70**	**14.65%**	**767.16**	**14.86%**	**478.79**	**11.30%**
Finance costs	149.24	4.54%	306.86	5.38%	358.14	6.94%	337.51	7.96%
Total expenses	**3,005.93**	**91.39%**	**5,171.47**	**90.74%**	**4,754.85**	**92.08%**	**4,097.40**	**96.67%**
Restated profit before tax	**283.25**	**8.61%**	**527.84**	**9.26%**	**409.02**	**7.92%**	**141.28**	**3.33%**
Income tax expense of continuing operations								
- Current tax	89.61	2.72%	162.36	2.85%	106.31	2.06%	28.96	0.68%
- Mat credit entitlement							-28.04	-0.66%
- Deferred tax charge	10.56	0.32%	30.63	0.54%	22.97	0.44%	68.37	1.61%
Restated profit after tax	**183.08**	**5.57%**	**334.85**	**5.88%**	**279.74**	**5.42%**	**71.99**	**1.70%**
Add: Share of net profit/(loss) of Associate	3.47	0.11%	-3.75	-0.07%	-1.25	-0.02%	-8.36	-0.20%
Less: Share of Minority interest	-8.46	-0.26%	-5.54	-0.10%	-12.34	-0.24%	-7.55	-0.18%
Profit after tax	**178.09**	**5.41%**	**325.56**	**5.71%**	**266.15**	**5.15%**	**56.08**	**1.32%**

**EBITDA has been calculated as restated consolidated profit / (loss) for the period before finance costs, total tax expenses, depreciation and amortization expenses, share of minority interest and share of net profit/(loss) of Associate*

***EBIT has been calculated as restated consolidated profit / (loss) for the period before finance costs and total tax expenses*

Six months ended September 30, 2017

Revenue

For the six months ended September 30, 2017, our total revenue was ₹ 3,289.18 million, which consisted of revenue form operation of ₹ 3,277.62 million and other income of ₹ 11.56 million. Following are the details of our revenue from operations and other income.

Revenue from operations

Particulars	For the six months ended September 30, 2017 In ₹million
Sale of services	
Income from hospital services	2,123.74
Sale of goods	
Income from pharmacy	1,088.63
Other operating income	
- Food and beverages	42.75
- Academic courses	21.06
- Others	1.44
Total	**3,277.62**

Other income

Particulars	For the six months ended September 30, 2017

	In ₹million
Other income as restated	11.56
Net profit/loss before tax, as restated	283.25
Other income as a % of net profit before tax	4.08%
Sources of other income	
Interest income	
- on fixed deposit	1.24
- on loans	0.27
Rental income from sub-lease	2.38
Miscellaneous income	7.67
Total	**11.56**

Expenses

For the six months ended September 30, 2017, our total expenses were ₹ 3,005.93 million, which comprised ₹ 788.32 million of medical consumables ad pharmacy items consumed, ₹ 1,091.56 million of operating expenses, ₹ 615.34 million of employee benefits expenses, ₹ 149.24 million of finance cost, ₹ 196.51 million of depreciation and amortization and ₹ 164.96 million of other expenses.

Medical consumable and pharmacy items consumed. Our cost of medical consumable and pharmacy items consumed was ₹ 788.32 million in the six months ended September 30, 2017. For the same period, the cost of medical consumable and pharmacy items consumed as a percentage of our revenue was 23.97%.

Operating expenses. Our operating expenses were ₹ 1,091.56 million in the six months ended September 30, 2017, which primarily consisted of consultancy charges of ₹ 692.70 million, housekeeping expenses of ₹ 104.96 million and power and fuel expenses of ₹ 88.66 million.

Employee benefit expenses. Our employee benefit expenses were ₹ 615.34 million in the six months ended September 30, 2017, which primarily consisted of salaries, wages and bonus of ₹ 560.34 million and contribution to provident and other funds of ₹ 48.60 million.

Finance costs. Our finance cost was ₹ 149.24 million in the six months ended September 30, 2017. Our finance cost primarily consisted of interest on terms loans of ₹ 140.30 million.

Depreciation and amortisation expense. Depreciation and amortisation expenses were ₹ 196.51 million in the six months ended September 30, 2017.

Other expenses. Our other expenses were ₹ 164.96 million in the six months ended September 30, 2017, which primarily consisted of rates and taxes of ₹ 41.37 million, advertising and public expense of ₹ 32.83 million and printing and stationery expenses of ₹ 16.06 million.

Restated profit before tax

Our restated profit before tax for the six months ended September 30, 2017 was ₹ 283.25 million.

Income tax expenses of constituting operations

In our income tax expenses of continuing operations, our current tax and deferred tax expense was ₹ 89.61 million and ₹ 10.56 million, respectively, for the six months ended September 30, 2017.

Restated profit after tax

Our restated profit after tax was ₹ 183.08 million in the six months ended September 30, 2017.

Share of net profit of associate was ₹ 3.47 million and share of profit of minority interest was ₹ (8.46) million in the six months ended September 30, 2017.

Our restated profit after tax ₹ 178.09 million in the six months ended September 30, 2017.

Fiscal year 2017 compared to fiscal year 2016

Revenue

Our total revenue increased by 10.37% from ₹5,163.87 million in fiscal year 2016 to ₹ 5,699.31 million in fiscal year 2017, primarily due to an increase in our revenue from operations by 10.81% from ₹ 5,118.17 million in fiscal year 2016 to ₹5,671.38 million in fiscal year 2017.

Revenue from operations

Our revenue from operations increased by 10.81% from ₹ 5,118.17 million in fiscal year 2016 to ₹ 5,671.38 million in fiscal year 2017.

Income from hospital services. Our income from hospital services increased by 4.98% from ₹ 3,374.28 million in fiscal year 2016 to ₹ 3,542.34 million in fiscal year 2017. This was primarily due to increase in number of operational beds leading to increased inpatient revenue, increase in outpatient volumes and increase in tariffs of services. Such increase was partially set off by impact of demonetization of high value denominations of currency undertaken by the Government of India in November 2016 and ceiling on the price of cardiac stents set by the National Pharmaceutical Pricing Authority.

Income from pharmacy. Our income from pharmacy increased by 23.01% from ₹ 1,639.06 million in fiscal year 2016 to ₹ 2,016.21 million in fiscal year 2017, primarily due to increase in patient volumes at our hospitals.

Other operating income. Our income from food and beverages increased by 17.19% from ₹ 57.25 million in fiscal year 2016 to ₹ 67.09 million in fiscal year 2017, primarily due to increase in patients volume and increase in tariff. Our income from academic courses increased by 0.76% from ₹ 44.96 million in fiscal year 2016 to ₹ 45.30 million in fiscal year 2017 primarily due to increase in the intake of students. Our income from others, which primarily consists of income from providing infrastructure for conducting clinical trials by doctors at our hospital at Secunderabad, decreased by 83.21% from ₹ 2.62 million in fiscal year 2016 to ₹ 0.44 million in fiscal year 2017, primarily due to decrease in number of such clinical trials by third party sponsors.

Other income

Our other income decreased by 38.88% from ₹45.70 million in fiscal year 2016 to ₹27.93 million in fiscal year 2017, primarily due to decrease in interest income on income tax refunds due and fixed deposits, decrease in lease income on account of cancellation of lease given to a telecom service provider for setting up a signal tower, and cancellation of a parking lease, and decrease in income generated on account of conducting CME programs, due to decrease in the number of such events. The decrease was partially offset by increase in interest income on loan given to our Subsidiaries, KIMS Hospitals Private Limited, KIMS Swastha Private Limited, KIMS Cuddles Private Limited and our Associate, KHEPL.

Expenses

Our total expenses increased by 8.76% from ₹4,754.85 million in fiscal year 2016 to ₹5,171.47 million in fiscal year 2017.

Medical consumable and pharmacy items consumed. Our cost of medical consumable and pharmacy items consumed increased by 10.07% from ₹1,258.22 million in fiscal year 2016 to ₹1,384.95 million in fiscal year 2017. This increase was primarily due to expansion of our operations. However, the cost of medical consumable and pharmacy items consumed as a percentage of our revenue decreased from 24.37% in fiscal year 2016 to 24.30% in fiscal year 2017 on account of continued operational efficiencies, including centralized procurement process.

Operating expenses. Our operating expenses increased by 11.39% from ₹ 1,680.17 million in fiscal year 2016 to ₹ 1,871.55 million in fiscal year 2017. Such increase is primarily due to increase in payments made to our doctors who are retained on a consultancy basis. Payments made to such consultants are linked to the fee/revenue generated by such doctors and therefore, an increase in revenue from medical and healthcare services results in increased payments made to such doctor. Further, our operating expense also increased on account of expansion of our operations, increase in power and fuel cost, increase in cost of repair and maintenance of medical equipment and hospital buildings and in rent expenses on account of annual increments on rentals and rentals paid on additional dialysis machines. Our operating expenses also increased on account of increase in cost of tests and investigations.

Employee benefit expenses. Our employee benefit expenses increased by 21.37% from ₹807.23 million in fiscal year 2016 to ₹979.75 million in fiscal year 2017, primarily due to increase in salaries paid to our employees, bonus, contribution gratuity and provident funds and staff welfare expenses and also due to increase in number of employees.

Finance costs. Our finance costs decreased by 14.32% from ₹358.14 million in fiscal year 2016 to ₹306.86 million in fiscal year 2017, primarily due to lower weighted average outstanding amounts of our terms and other loans during the financial year, coupled with lower interest rates. The decrease was partially offset by increase in bank charges due to processing fee paid in relation to sanctioning of new loans.

Depreciation and amortisation expense. Depreciation and amortisation expenses decreased marginally by 1.03% from ₹354.98 million in fiscal year 2016 to ₹351.34 million in fiscal year 2017, primarily due to writing off of old surgical equipment and instruments during the fiscal year 2016.

Other expenses. Our other expenses decreased by 6.45% from ₹296.11 million in fiscal year 2016 to ₹277.02 million in fiscal year 2017. This decrease was primarily due to decrease in legal and professional charges, on account of reduced requirement for specialized advisory services, as compared to during fiscal year 2016 where certain reports and assessments in relation to ERP readiness and improvement of financial processes were commissioned, decrease in advertisement and publicity cost due to reduced marketing activities and campaigns and decrease in donation. The decrease in other expenses was partially offset by increase in cost of travelling and conveyance and also on account of increase in provision for doubtful receivables due to increased credit business delinquencies, primarily from state and central government organizations and change of provisioning norms from two years to one and half years.

Restated profit before tax

As a result of the foregoing, our restated profit before tax increased by 29.05% from ₹409.02 million in fiscal year 2016 to ₹527.84 million in fiscal year 2017.

Income tax expense of constituting operations

Our tax expenses of continuing operations increased in fiscal year 2017 primarily due to increase in current tax expenses and increase in deferred tax. Our current tax expenses increased by 52.73% from ₹106.31 million in fiscal year 2016 to ₹162.36 million in fiscal year 2017, primarily due to increase in our profits for the fiscal year 2017. Further, our deferred tax expenses increased by 33.34% from ₹22.97 million in fiscal year 2016 to ₹30.63 million in fiscal year 2017, primarily due to excess of depreciation allowable under income tax rules over depreciation provided in the books of accounts.

Restated profit after tax

Our restated profit after tax and before share of results of associates and minority interest increased by 19.70% from ₹279.74 million in fiscal year 2016 to ₹334.85 million in fiscal year 2017.

Share of net loss of associate was ₹3.75 million in fiscal year 2017 as compared to a net loss of ₹1.25 million in fiscal year 2016 due to increase in loss in our Associate, KHEPL. Share of profit of minority interest was ₹5.54 million in fiscal year 2017 as compared to a profit of ₹12.34 million in fiscal year 2016 due to decrease in profit in our Subsidiary, Arunodaya Hospital Private Limited.

As a result of the above, our restated profit after tax increased by 22.32% from ₹266.15 million in fiscal year 2016 to ₹325.56 million in fiscal year 2017.

Fiscal year 2016 compared to fiscal year 2015

Revenue

Our total revenue increased by 21.83% from ₹4,238.68 million in fiscal year 2015 to ₹5,163.87 million in fiscal year 2016, primarily due to an increase in our revenue from operations by 21.95% from ₹4,196.78 million in fiscal year 2015 to ₹5,118.17 million in fiscal year 2016.

Revenue from operations

Income from hospital services. Our income from hospital services increased by 22.28% from ₹2,759.44 million in Fiscal Year 2015 to ₹3,374.28 million in Fiscal Year 2016. This was primarily due to (i) increase in operational beds leading to increased inpatient revenue, (ii) increase in outpatient volumes, and (iii) increase tariffs in April 2015.

Income from pharmacy. Our income from pharmacy increased by 21.34% from ₹1,350.81 million in Fiscal Year 2015 to ₹1,639.06 million in Fiscal Year 2016, primarily due to increase in patient volumes at our hospitals.

Other operating income. Our income from food and beverages increased by 8.88% from ₹52.58 million in Fiscal Year 2015 to ₹57.25 million in Fiscal Year 2016, primarily due to increase in patients volume and increase in tariff. Our income from academic courses increased due to increase in the intake of students and commencement of a new master’s course in physiotherapy during the Fiscal Year. Our income from others, which primarily consists of income from providing infrastructure for conducting clinical trials by doctors at our hospital at Secunderabad, also increased primarily due to increase in number of such clinical trials by third party sponsors.

Other income

Our other income increased by 9.07% from ₹41.90 million in Fiscal Year 2015 to ₹45.70 million in Fiscal Year 2016, primarily due to increase in lease income on account of increment on lease rentals and an additional rental income on lease on account of sublease of premises situated at Srikakulam by Arunodaya Hospitals Private Limited, our Subsidiary, to a third party, receipt of interest income on income tax refunds, and increase in miscellaneous income due to increase in sale of scrap and increase in income generated on account of conducting CME programs. The increase was partially offset by decrease in our interest income.

Expenses

Our total expenses increased by 16.05% from ₹4,097.40 million in Fiscal Year 2015 to ₹4,754.85 million in Fiscal Year 2016.

Medical consumable and pharmacy items consumed. Our cost of medical consumable and pharmacy items consumed increased by 12.46% from ₹1,118.85 million in Fiscal Year 2015 to ₹1,258.22 million in Fiscal Year 2016. This increase was primarily due to expansion of our operations. The cost of medical consumable and pharmacy items consumed as a percentage of our revenue decreased from 26.40% in Fiscal Year 2015 to 24.37% in Fiscal Year 2016 on account of continued operational efficiencies, including centralized procurement process.

Operating expenses. Our operating expenses increased by 17.44% from ₹1,430.67 million in Fiscal Year 2015 to ₹ 1,680.17 million in Fiscal Year 2016. Such increase is primarily due to increase in payments made to our doctors who are retained on a consultancy basis. Payments made to such consultants are linked to the fee/revenue generated by such doctors and therefore, an increase in revenue from medical and healthcare services results in increased payments made to such doctor. Further, our operating expense also increased on account of increase in the expansion of our operations, increase in power and fuel cost and in cost of repair and maintenance of medical equipment and hospital buildings and in rent expenses on account of annual increments on rentals and rentals paid on additional dialysis machines.

Employee benefit expenses. Our employee benefit expenses increased by 16.60% from ₹692.32 million in Fiscal Year 2015 to ₹807.23 million in Fiscal Year 2016, primarily due to increase in salaries, wages, bonus, contribution gratuity and provident funds and staff welfare expenses.

Finance costs. Our finance costs increased by 6.11% from ₹337.51 million in Fiscal Year 2015 to ₹358.14 million in Fiscal Year 2016, primarily due to payment processing and other charges on existing loans from Syndicate Bank and ICICI Bank Limited, and interest paid on term and other loans. The increase was partially offset by decrease in bank charges.

Depreciation and amortisation expense. Our depreciation and amortisation expenses increased by 10.01%, from ₹322.67 million in Fiscal Year 2015 to ₹354.98 million in Fiscal Year 2016. This was due to increase in fixed assets in Fiscal Year 2016. Our tangible assets increased to ₹6,770.32 million in Fiscal Year 2016 from ₹ 6,440.11 million in Fiscal Year 2015. Our intangible assets increased to ₹17.04 million in Fiscal Year 2016 from ₹10.19 million in Fiscal Year 2015.

Other expenses. Our other expenses increased by 51.56% from ₹195.38 million in Fiscal Year 2015 to ₹296.11 million in Fiscal Year 2016. This increase was primarily due to legal and professional charges incurred on account of commissioning of certain reports and assessments in relation to ERP readiness and improvement of financial processes and increase in rates and taxes on account of increase in property tax on new additions to hospitals. There was also increase in advertisement and publicity cost on account of marketing activities and campaigns undertaken, including international marketing, during Fiscal Year 2016 and increase in provision of doubtful receivables on account of change in policy of provisioning of doubtful receivables, whereby the time period for provisioning outstanding receivables was reduced from three years in Fiscal Year 2015 to two years in Fiscal Year 2016. The increase was also partially attributable to donations towards a social welfare trust, made during Fiscal Year 2016. The increase in other expenses was partially offset by reduction in the amount of trade receivables written off during the year as well as no sale of fixed assets during the years at loss.

Restated profit before tax

As a result of the foregoing, our profit before tax increased by 189.51% from ₹141.28 million in Fiscal Year 2015 to ₹409.02 million in Fiscal Year 2016.

Income tax expenses of constituting operations

Our income tax expenses of continuing operations increased in Fiscal Year 2016 primarily due to increase in current tax expenses. Our current tax increased by 267.07% from ₹28.96 million in Fiscal Year 2015 to ₹106.31 million in Fiscal Year 2016, primarily due to increase in our profits for the Fiscal Year 2016. Our mat credit entitlement increased from ₹(28.04) million in Fiscal Year 2015 to nil in Fiscal Year 2016, primarily due to non-applicability of MAT on our Company in Fiscal Year 2016. Our deferred tax decreased by 66.40% from ₹68.37 million in Fiscal Year 2015 to ₹22.97 million in Fiscal Year 2016, due to excess depreciation allowable under income tax rules over depreciation provided under the books of accounts.

Restated profit after tax

Our restated profit after tax and before share of results of associates and minority interest increased by 288.57% from ₹71.99 million in Fiscal Year 2015 to ₹279.74 million in Fiscal Year 2016.

Share of net loss in associate of associate was ₹1.25 million in Fiscal Year 2016 as compared to a loss of ₹8.36 million in Fiscal Year 2015 due to relatively decrease in loss at our Associate, KHEPL. Share of profit of minority interest was ₹12.34 million in Fiscal Year 2016 as compared to a profit of ₹7.55 million in Fiscal Year 2015 due to relative increase in profits in our Subsidiary, Arunodaya Hospital Private Limited.

As a result of the above, our restated profit after tax increased by 374.56% from ₹56.08 million in Fiscal Year 2015 to ₹266.15 million in Fiscal Year 2016.

FINANCIAL CONDITION

Assets

The following table sets forth the components of our assets as of September 30, 2017, March 31, 2015, March 31, 2016 and March 31, 2017.

Particulars	As of September 30, 2017	As of March 31, 2017	As of March 31, 2016	As of March 31, 2015
	In ₹million			
ASSETS				
Non-current assets				
Fixed assets				
- Property, plant and equipment	6,053.73	5,164.31	5,127.89	5,098.18
- Intangible assets	15.95	14.64	12.97	8.19
- Capital work in progress	22.87	636.02	23.89	100.55
Goodwill on consolidation	4.30	4.30	4.30	3.25
Non-current investments	145.99	142.52	108.76	85.01
Deferred tax assets (net)	9.16	10.95	7.30	-
Long-term loans and advances	328.34	203.66	214.52	261.72
Other non-current assets*	10.90	11.36	7.70	9.14
	6,591.24	**6,187.76**	**5,507.33**	**5,566.04**
Current Assets				
Inventories	213.89	164.09	123.08	112.53
Trade receivables	1,037.71	916.11	664.73	373.28
Cash and bank balances	116.24	84.15	68.49	141.35
Short-term loans and advances	76.93	324.71	225.98	320.67
Other current assets**	52.65	69.43	67.63	58.01
	1,497.42	**1,558.49**	**1,149.91**	**1,005.84**
Total	**8,088.66**	**7,746.25**	**6,657.24**	**6,571.88**

**Comprising of bank deposits due to mature after 12 months of reporting date and interest accrued but not due on bank deposits.*

*** Comprising of unbilled revenue, interest accrued but not due on bank deposits and interest accrued but not due on deposits*.

Liabilities

The following table sets forth the principal components of our liabilities as of March 31, 2015, March 31, 2016 and March 31, 2017.

Particulars	As of September 30, 2017	As of March 31, 2017	As of March 31, 2016	As of March 31, 2015
	In ₹million			
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	716.25	716.25	704.04	88.00
Shares issued pursuant to Scheme of	-	-	-	-

Particulars	As of September 30, 2017	As of March 31, 2017	As of March 31, 2016	As of March 31, 2015
	In ₹million			
Arrangement				
Reserve and surplus	2,726.16	2,548.07	1,929.53	2,296.54
	3,442.41	**3,264.32**	**2,633.57**	**2,384.54**
Minority interest	82.40	73.94	68.48	58.58
Non-current liabilities				
Long term borrowings	1,896.86	1,969.72	1,742.26	2,007.40
Deferred tax liabilities (net)	463.78	455.01	420.73	390.46
Other long term liabilities*	2.10	2.10	2.10	0.09
Long term provisions	83.82	75.14	53.80	30.40
	2,446.56	**2,501.97**	**2,218.89**	**2,428.35**
Current liabilities				
Short term borrowings	174.67	116.76	166.24	334.63
Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	-	-	0.02	0.05
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,012.08	784.37	668.43	616.65
Other current liabilities**	891.99	974.98	872.47	736.55
Short term provisions	38.55	29.91	29.14	12.53
	2,117.29	**1,906.02**	**1,736.30**	**1,700.41**
Total	**8,088.66**	**7,746.25**	**6,657.24**	**6,571.88**

**Comprises of security deposits.*

***Includes current maturity of long term borrowings, capital creditors, employee benefits payable, statutory dues payable, advance received from patients.*

Our total equity and liabilities was ₹ 8,088.66 million as of September 30, 2017.

Our total equity and liabilities increased by 16.36% from ₹6,657.24 million as of March 31, 2016 to ₹7,746.25 million as of March 31, 2017. Key elements of this increase were increase in reserves and surplus on account of preferential issue at a premium of ₹292.98 million, transfer of profit after tax of ₹325.56 million to reserves, increase in long term borrowings of ₹227.46 million and increase in trade payables of ₹115.92 million.

Our total equity and liabilities increased by 1.30% from ₹6,571.88 million as of March 31, 2015 to ₹6,657.24 million as of March 31, 2016. Key elements of this increase was increase in long term provisions reflected in increased contribution towards gratuity and provident funds and increase in other current liabilities reflected by increase in re-payments for loans and interest accrued towards term loans due in the next Fiscal Year.

CAPITAL EXPENDITURE

We have capitalized, in aggregate, ₹ 1,087.25 million, ₹ 391.80 million, ₹ 390.63 million and ₹ 809.24 million on tangible and intangible assets additions for the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, respectively. The following table sets out the details for the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015:

Particulars	Six months ended September 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	In ₹ million			
Assets				
Land (*including freehold and leasehold*)	185.79	6.86	5.84	5.11
Buildings	412.43	141.17	225.17	544.09
Medical and surgical equipment	394.68	162.19	79.82	152.53
Plant and equipment	11.96	4.60	23.34	43.43

Particulars	Six months ended September 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
	In ₹ million			
Other fixed assets (*including office equipment, electrical equipment, computers and related assets, furniture and fixtures and vehicles*)	82.39	76.99	56.45	64.09
Total	**1,087.25**	**391.80**	**390.63**	**809.24**

We have also invested ₹ 40.57 million, ₹ 753.40 million, ₹ 135.83 million and ₹ 219.48 million during the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015, respectively. The following table sets out the details for the six months ended September 30, 2017 and Fiscal Years 2017, 2016 and 2015.

(₹ in million)

Particulars	Six months ended September 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Capital work-in-progress				
Capital work-in-progress	40.57	753.40	135.83	219.48

We expect to fund our budgeted capital expenditures principally through cash from operations and from borrowings. As such, however, our historical expenditures, including the figures stated above, may not be indicative of our future capital expenditures.

BORROWINGS

To fund our working capital and capital expenditure requirements, we have entered into various loans and facility agreements with various financial institutions. As on September 30, 2017, the outstanding amount under our borrowings was ₹ 2,704.44 million. The following table sets out our consolidated borrowings as at September 30, 2017, March 31, 2017, March 31, 2016 and March 31, 2015.

Particulars	As of September 30, 2017	As of March 31, 2017	As of March 31, 2016	As of March 31, 2015
	In ₹million			
Secured loans				
Term loans from banks	2,273.00	2,445.44	2,247.72	2,282.86
Term loans from other parties	152.79	178.03	65.13	152.26
Working capital loans from banks	174.67	114.02	163.50	155.50
Loan from others		-	-	168.00
Total secured loans	**2,600.46**	**2,737.49**	**2,476.35**	**2,758.62**
Unsecured loans				
Deferred payment liability	103.98	62.07	76.96	76.52
Loans directors	-	2.74	2.74	9.64
Loans from associate	-	-	-	1.49
Loan from other related parties	-	-	-	-
Total unsecured loans	**103.98**	**64.81**	**79.70**	**87.65**
Total	**2,704.44**	**2,802.30**	**2,556.05**	**2,846.27**

COMMITMENTS AND CONTINGENT LIABILITIES

The following table sets forth our commitments to make future payments and contingent liabilities as on September 30, 2017. We expect that such commitments and liabilities will not have any material effect on our liquidity and cash flows in future periods.

(*in ₹million*)

Particulars	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Estimated amount of contracts remaining to be	174.86	174.86	-	-	-

Particulars	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
executed on capital account and not provided for (net of advances)					
Commitment towards purchase of consumables	177.36	142.34	35.02	-	-
Undertaking/guarantee given for procurement of medical equipment to our Associate, KHEPL	310.00	-	-	-	-
Value of loan availed outstanding as at period/ year end against aforesaid guarantee	271.93	76.35	128.91	58.33	8.33
Other claims	23.76	-	-	-	-
Total	**685.98**	**393.55**	**163.93**	**58.33**	**8.33**

CONTINGENT LIABILITIES NOT PROVIDED FOR

For details of our contingent liabilities, see Annexure XXVII of our Restated Standalone Financial Statements and Annexure XXVII of our Restated Consolidated Financial Statements on pages 239 and 309, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2017, we do not have any off-balance sheet arrangements, derivative instruments or other relationships with any entities that would have been established for the purpose of facilitating off balance sheet arrangements.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs have been to finance our working capital needs and capital expenditure. We have financed our operations primarily by way of cash flow from operations and long-term and short-term borrowings in the form of cash credits.

We had cash and bank balances of ₹ 116.24 million, ₹84.15 million, ₹68.49 million and ₹141.35 million as at September 30, 2017, March 31, 2017, March 31, 2016 and March 31, 2015, respectively. Our anticipated cash flows are however dependent on several factors beyond our control. See "*Risk Factors*" on page 18. Set forth below is a summary of our cash flow data for the periods indicated.

Particulars	Six months ended September 30, 2017	Year ended March 31,		
		2017	2016	2015
	In ₹million			
Net cash provided by operating activities	695.04	815.49	954.54	638.95
Net cash used in investing activities	(421.86)	(1,000.05)	(407.09)	(712.72)
Net cash provided by/(used in) financing activities	(241.74)	235.07	(654.81)	119.78
Net increase / (decrease) in cash and cash equivalent	31.44	50.51	(107.36)	46.01
Cash and cash equivalents at the beginning of the year	82.80	32.29	139.65	93.64
Cash and cash equivalents at the end of the year/period	**114.24**	**82.80**	**32.29**	**139.65**

Cash Flow from/ (used in) Operating Activities

Our net cash from operating activities for the six months ended September 30, 2017 was ₹ 695.04 million. For the six months ended September 30, 2017, our operating profit before working capital changes was ₹ 641.50 million, primarily as a result of adjustments made for depreciation and amortization and finance cost. Our working capital adjustments to our net cash generated from operations for the six months ended September 30, 2017 included increase in trade receivables of ₹135.61 million, increase in inventories of ₹49.80 million, decrease in loans and advances of ₹ 91.20 million and increase in liabilities and provisions of ₹264.48 million.

Our net cash from operating activities for and Fiscal Year 2017 was ₹ 815.49 million. For Fiscal Year 2017, our operating profit before working capital changes was ₹ 1,198.96 million, primarily as a result of adjustments made for depreciation and amortization and finance cost. Our working capital adjustments to our net cash generated from operations for Fiscal Year 2017 included increase in trade receivables of ₹271.74 million, increase in inventories of ₹41.01 million, increase in loans and advances of ₹95.17 million and increase in liabilities and provisions of ₹152.18 million.

Our net cash from operating activities for Fiscal Year 2016 was ₹954.54 million. Our operating profit before working capital changes of ₹1,124.85 million, primarily as a result of adjustments made for depreciation and amortization and finance cost. Our working capital adjustments to our net cash generated from operations for Fiscal Year 2016 included increase in trade receivables of ₹309.21 million, increase in inventories of ₹10.55 million, decrease in loans and advances of ₹47.00 million and increase in liabilities and provisions of ₹107.46 million.

Our net cash from operating activities for Fiscal Year 2015 was ₹638.95 million. Our operating profit before working capital changes of ₹813.01 million, primarily as a result of adjustments made for depreciation and amortization, profit on sale of fixed assets, lease income and interest expense. Our working capital adjustments to our net cash generated from operations for Fiscal Year 2015 included increase in trade receivables of ₹80.64 million, decrease in inventories of ₹3.26 million, increase in loans and advances of ₹17.17 million and increase in liabilities and provisions of ₹51.01 million.

Cash Flow from/ (used in) Investing Activities

Our net cash used in investing activities for the six months ended September 30, 2017 was ₹ 421.86 million, primarily reflecting payments made for purchase of fixed assets (including capital advances, capital creditors and capital work in progress) of ₹423.46 million, offset by interest received of ₹1.60 million.

Our net cash used in investing activities for Fiscal Year 2017 was ₹1,000.05 million, reflecting payments made for purchase of fixed assets (including capital advances, capital creditors and capital work in progress) of ₹1,003.37 million and investment in subsidiaries and associate of ₹37.51 million, offset by proceeds from sale of fixed assets of ₹3.18 million, decrease in bank deposits placed with banks (having remaining maturity of more than three months) of ₹30.12 million and interest received of ₹7.53 million.

Our net cash used in investing activities for Fiscal Year 2016 was ₹407.09 million, reflecting payments for purchase of fixed assets (including capital advances, capital creditors and capital work in progress) of ₹348.36 million, investment in subsidiaries and associate of ₹28.56 million, and increase in bank deposits placed with banks (having remaining maturity of more than three months) of ₹33.13 million, offset by proceeds from sale of fixed assets of ₹1.88 million and interest received of ₹1.08 million.

Our net cash used in investing activities for Fiscal Year 2015 was ₹712.72 million, reflecting payments for purchase of fixed assets (including capital advances, capital creditors and capital work in progress) of ₹857.86 million and investment in subsidiaries and associate of ₹96.30 million, offset by proceeds from sale of fixed assets of ₹43.79 million, proceeds from sale of investment of ₹1.24 million, decrease in bank deposits placed with banks (having remaining maturity of more than three months) of ₹175.40 million and interest received of ₹21.01 million.

Cash Flow from/ (used in) Financing Activities

Our net cash used in financing activities for the six months ended September 30, 2017 was ₹ 241.74 million, reflecting repayment of long term borrowings of ₹ 155.77 million, net proceeds of short term borrowings of ₹60.61 million, and finance cost paid of ₹ 146.58 million.

Our net cash from financing activities for Fiscal Year 2017 was ₹235.07 million, reflecting net proceeds of long term borrowings of ₹295.73 million, repayment of short term borrowings of ₹53.97 million, proceeds from issue of shares of ₹305.19 million and finance cost paid of ₹ 311.88 million.

Our net cash used in financing activities for Fiscal Year 2016 was ₹ 654.81 million, reflecting repayment of long term borrowings of ₹121.83 million, repayment of short term borrowings of ₹163.90 million, share issue expense of ₹17.13 million and finance cost paid of ₹ 351.95 million.

Our net cash generated from financing activities for Fiscal Year 2015 was ₹119.78 million, reflecting net proceeds from long term borrowings of ₹43.35 million, net proceeds from short term borrowings of ₹67.39 million and proceeds from issue of shares of ₹365.44 million and finance cost paid of ₹ 356.40 million.

Our Company expects to meet its working capital, capital expenditure and investment requirements for the next 12 months primarily from internal accruals. It may also from time to time seek other sources of funding, which may include debt or equity financings, including rupee-denominated loans from Indian banks, depending on its financing needs and market conditions.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

We are exposed to market risks that are related to the normal course of our operations such as interest rate, liquidity risk, foreign exchange risk and reputational risk, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Interest Rate Risk

Our Company's exposure to interest rate risk relates primarily to its long term and short term debt. As of October 31, 2017, our Company has outstanding secured loans (comprising of long term borrowings and short term borrowings) of ₹ 2,723.09 million, a majority of which bore interest at floating rates. Therefore, fluctuations in interest rates could have the effect of increasing the interest due on our Company's outstanding debt and increases in such rates could make it more difficult for our Company to procure new debt on attractive terms. Our Company currently does not, and has no plans to engage in, interest rate derivative or swap activity.

Liquidity Risk

Our Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due. Our Company manages its liquidity profile through the efficient management of existing funds and effective forward planning for future funding requirements.

Going forward, and to the extent it is able to do so, our Company intends to primarily use internally generated funds to meet its financing requirements.

Reputational Risk

We believe that the recognition and reputation of our "KIMS Hospital" name for our healthcare services have contributed to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our name is, therefore, critical to our business and competitiveness. If we fail to maintain our reputation, enhance our name recognition or increase positive awareness of our services, it may be difficult to maintain and grow our consumer base, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Related Party Transactions

We have engaged in the past, and may engage in future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions are ordinarily for payments for professional services, payment of rent and loans and advances. For further information, see Annexure XXVIII A of our Restated Consolidated Financial Statements and Annexure XXVIII A of our Restated Standalone Financial Statements on pages 311 and 241, respectively.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly above and in "*Risk Factors*" on page 18, to our knowledge, there are no trends or uncertainties that have had or are expected to have a material adverse impact on our income from continuing operations, on our results of operations or financial condition.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

While we do not characterize our business as seasonal, our income and profits may vary from quarter to quarter depending on factors including change in weather, outbreak of viral and seasonal diseases.

Future Relationship between Costs and Income

Other than as described above and in "*Risk Factors*" on page 18, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We have a wide customer base and our business is not dependent on any single or few customers. For more information, see "*Our Business*" on page 122.

Increase in our revenue

Expansion of our business and the introduction of any new specialties in the ordinary course of our business would be expected to contribute to increase our revenues.

New Products or Business Segment

Apart from the recent business initiatives discussed in "*Our Business*" on page 122, we currently have no plans to develop new products or establish new business segments.

Significant Regulatory Changes

Except as described in "*Regulations and Policies*" on page 138, there have been no significant regulatory changes that could affect our income from continuing operations.

Competitive Conditions

For information on our competitive conditions and our competitors, see "*Risk Factors*" and "*Our Business*" on pages 18 and 122, respectively.

TAXES

For details regarding taxation and the regulatory environment in which our Company operates, see "*Statement of Tax Benefits*" and "*Regulations and Policies*" on pages 105 and 138, respectively.

SIGNIFICANT DEVELOPMENTS

Other than as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since September 30, 2017, which may materially and adversely affect or are likely to affect, our revenue and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business. As on October 31, 2017, total outstanding borrowings of our Company aggregates to ₹ 2,723.09 million, and of our Subsidiaries aggregates to ₹ 14.49 million. Our Company has obtained necessary consents required under relevant loan documentations for undertaking the Offer including, among other things, for change in its capital structure, shareholding pattern and amendments to its constitutional documents.

Pursuant to a resolution of the shareholders of our Company passed at the AGM held on August 26, 2016, our Board has been authorised to borrow, from time to time any sum or sums of money, by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding ₹ 6,000 million on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of our Company and its free reserves.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as of October 31, 2017:

Facilities obtained by our Company*

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million) as on October 31, 2017
Fund based facilities		
Term loans		
- *Secured*	4,219.58	2,388.05
- *Unsecured*	182.91	102.79
Others#	345.42	218.35
Non-fund based facilities		
Bank Guarantees	36.00	13.90
Total	**4,783.91**	**2,723.09**

* *As certified by B Naga Bhushan & Co., pursuant to certificate dated December 11, 2017.*
\# *Includes vehicle loans, overdraft facilities and open cash credit facilities.*

Facilities obtained by Arunodaya Hospitals Private Limited*

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million) as on October 31, 2017
Fund based facilities		
Term loans (secured)	15.90	13.78
Others (short term borrowings)#	21.74	0.71
Total	**37.64**	**14.49**

* *As certified by B Naga Bhushan & Co., pursuant to certificate dated December 11, 2017.*
\# *Includes vehicle loans and open cash credit facilities.*

For details of the outstanding loan obligations of our Company for the last five Fiscal Years, see "*Financial Statements*" on page 193.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under specific borrowing arrangements entered into by us:

1. ***Interest:*** The interest rate for our facilities is typically the base rate of a specified lender and plus a specified spread per annum, subject to a minimum interest rate. The spread varies among different loans and typically ranges from 1.80% to 3.95%. For facilities where the interest rate is fixed, the range of interest rate varies from 9.75% to 13.50%.

2. ***Tenor:*** The tenor of the facilities availed by us typically ranges from 12 months to 84 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   a) Create security by way of hypothecation on our Company's book debts, both present and future;
   b) Create charge on our movable assets and immovable assets, both present and future; and
   c) Execute a demand promissory note for a specified amount in the form approved by the relevant lender.

   In most cases, security created in favour of a lender is on a pari passu basis with the other lenders.

   In addition to above, some of our Promoters and Directors, typically Krishnaiah Bollineni, Dr. Bhaskar Rao Bolleneni, Seenaiah Bollineni, and Anitha Dandamudi provide personal guarantees and have pledged Equity Shares held by them in our Company to our lenders. Additionally, our Company has provided corporate guarantees for certain facilities availed by KHEPL.

   The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The term loans availed by our Company are typically repayable in monthly instalments and quarterly instalments. The cash credit facilities availed by our Company are typically repayable on demand of the lender.

5. ***Prepayment:*** The loans availed by our Company typically have prepayment provisions which allows for prepayment of the outstanding loan amount at any given point in time, subject to terms and conditions stipulated under the loan documents.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, among others:

   (a) Non-payment or default of any amounts due on the facility or loan obligation;
   (b) Breach of any representation, warranty or undertaking by our Company;
   (c) Initiation of enforcement and distress proceedings, proceedings relating to winding up/ liquidation/ bankruptcy being initiated against our Company;
   (d) Appointment of a receiver over any of our Company's properties;
   (e) Occurrence of any circumstances that would, in the opinion of the lender, imperil repayment of the loan or constitute a material adverse effect on our Company's ability to repay the facility amount;
   (f) Any substantial change in the constitution or management of our Company effected without the prior written consent of the lender;
   (g) Non-performance or non-compliance of terms of the borrowing arrangements;
   (h) In case our Company suspends, ceases or threatens to cease to carry on its business;
   (i) Misuse of facilities by our Company; and
   (j) Cross default by our Company on amounts due to/ facilities extended by any other lender.

   Additionally we are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by us for the purpose of availing of loans are not triggered.

7. ***Penalty:*** The loans availed by our Company contain provisions prescribing penalties for prepayment as well as delayed payment or default in the repayment obligations of our Company or delay in creation of the stipulated security, which typically range from 2% to 3.5% of the outstanding principal amount.

Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, see "*Risk Factors*" on page 18.

SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no outstanding (i) criminal litigation involving our Company, Subsidiaries, Directors, Promoters or Group Companies; (ii) action by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, Promoters or Group Companies; (iii) claim related to direct or indirect tax involving our Company, Subsidiaries, Directors, Promoters or Group Companies; or (iv) other pending litigations involving our Company, Subsidiaries, Directors, Promoters or Group Companies, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding this Draft Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) prosecutions filed (whether pending or not); compounding of offences or fines imposed under the Companies Act against our Company and our Subsidiaries, in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vi) litigation or legal action, pending or taken, against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus; (vii) outstanding dues to creditors of our Company determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; (viii) outstanding dues to small scale undertakings and other creditors including material creditors as defined under the Materiality Policy; and (ix) litigation involving any other person whose outcome could have material adverse effect on the position of our Company.

*Our Board, in its meeting held on June 12, 2017, has adopted a policy for identification of our Group Companies, material creditors and material legal proceedings ("**Materiality Policy**") for the purposes of disclosure in offer documents in accordance with the SEBI ICDR Regulations. In terms of the Materiality Policy, all pending litigation involving our Company, Subsidiaries, Directors, Promoters and Group Companies, other than criminal proceedings, statutory or regulatory actions and taxation matters would be considered 'material' for the purposes of disclosure in this Draft Red Herring Prospectus if: (i) the monetary amount of claim by or against the relevant entity or person in any such pending proceeding is in excess of ₹3.30 million, being approximately 1% of the profit after tax of our Company as per the Restated Consolidated Financial Statements for Fiscal Year 2017; or (ii) the outcome of any pending proceedings which has a bearing on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such proceedings.*

Further, in terms of the Materiality Policy, our Company, considers creditors to whom the amount due exceeds ₹ 11.80 million, being approximately 1.5% of our consolidated trade payables as per our Restated Consolidated Financial Statements for the Fiscal Year 2017, as 'material' creditors for the purpose of disclosures in this Draft Red Herring Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Directors, Promoters or Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiaries, Directors, Promoters or its Group Companies, as the case may be, is impleaded as a party in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal litigation involving our Company

Criminal proceedings against our Company

1. D. Swetha Bindu, Drugs Inspector, Marredpally Zone (Sales), Secunderabad (**"Drug Inspector"**) received certain complaints from third parties wherein it was alleged *inter alia* that our hospital situated at

Secunderabad had stocked certain drugs for sale on unlicensed premises (**"Initial Complaints"**). Pursuant to these Initial Complaints, the Drug Inspector conducted an inspection of the premises of our hospital situated at Secunderabad on April 21, 2015 where she seized certain stocks of medicines. Based on the inspection, the Drug Inspector/Drug Agency filed a complaint (**"Complaint"**) before the XI Additional Chief Metropolitan Magistrate Court, Secunderabad (**"Court"**) against Dr. Bhaskar Rao Bollineni, in his capacity as the Managing Director of our Company. The Court issued summons under Section 61 of Code of Criminal Procedure, 1973 (**"CrPC"**) to Dr. Bhaskar Rao Bollineni pursuant to which Dr. Bhaskar Rao Bollineni appeared before the Court. Subsequently, Dr. Bhaskar Rao Bollineni filed a petition before the High Court, Hyderabad under Section 482 of the CrPC for quashing the Complaint (**"Quashing Petition"**). The High Court, Hyderabad pursuant to the Quashing Petition granted interim stay to Dr. Bhaskar Rao Bollineni *vide* order dated April 12, 2016. The matter is currently pending.

2. J. Narsimha Reddy (**"Patient"**), a patient suffering from chronic calcific pancreatitis, was transferred from a third party hospital to our hospital situated at Secunderabad on November 4, 2015. The Patient was in a critical condition at the time of admission to our hospital. After the initial triage and management in the causality of a third party hospital, the patient was subsequently transferred to our hospital situated at Secunderabad. Despite providing treatment, the patient passed away on November 5, 2015. Subsequently, Kishan Reddy Junnuthula, Patient's brother, filed a first information report dated December 18, 2015 (**"FIR"**) with the Ramagopalpet Police Station (**"Police"**) against our management and doctors of our Company at that time (**"Accused"**), pursuant to which the police registered a case under Section 304A of the Indian Penal Code, 1860 (**"IPC"**). In relation to the FIR, a criminal petition dated February 15, 2016 was instituted by Dr. Bhaskar Rao Bollineni in his capacity as the Chief Executive Officer of the Company along with a doctor of our Company before the High Court, Hyderabad praying for quashing of the FIR and for investigation of the case in accordance with the guidelines laid down by the Supreme Court of India. The High Court, Hyderabad *vide* order dated February 17, 2016 rejected the prayer for quashing of the FIR and ordered the police to investigate the case in accordance with the guidelines laid down by the Supreme Court of India. In furtherance of the investigation, the Police filed a charge sheet before the XI Additional Chief Metropolitan Magistrate, Secunderabad wherein they charged the Accused and Dr. Bhaskar Rao Bollineni under Section 304-A read with Section 109 of the IPC. The matter is currently pending.

3. U. Pundareekudu (**"Complainant"**), a patient underwent surgery for a back problem in our hospital situated at Secunderabad. Post-surgery, the Complainant allegedly developed certain complications in his lower body and was operated upon again at our hospital situated at Secunderabad. Subsequent to the examination, the Complainant filed a first information report dated December 25, 2015 (**"FIR"**) under Sections 338, 269 and 420 of the Indian Penal Code, 1860 against Dr. Bhaskar Rao Bollineni, in his capacity as the managing director of our Company and another (**"Accused"**) with the Ramgopalpet Police Station, Hyderabad alleging *inter alia* criminal breach of trust and cheating on the part of the Accused. In response to this, the Accused approached the High Court, Hyderabad *vide* criminal petition dated February 17, 2016 wherein a prayer for quashing the FIR and stay of all proceedings pursuant to the FIR was made. The High Court, Hyderabad *vide* order dated February 23, 2016 rejected the prayer for quashing of the FIR, but ordered the police to investigate the case in accordance with the guidelines laid down by the Supreme Court of India. The matter is currently pending.

Criminal proceedings by our Company

As on the date of this DRHP, there are no pending criminal proceedings initiated by our Company.

B. Pending actions by statutory or regulatory authorities against our Company

1. In relation to the criminal proceedings described in case (2) in the sub-section '- *Criminal proceedings against our Company*' on page 360, Kishan Reddy Junnuthula ("**Complainant**") submitted a complaint dated April 4, 2016 ("**Complaint**") with the Telangana State Medical Council ("**TSMC**"), alleging *inter alia* negligence on part of our doctors and manipulation in the medical bills issued for his brother's treatment. Pursuant to the Complaint, the Registrar, TSMC issued notices to Dr. Bhaskar Rao Bollineni (in his capacity as the CEO and Managing Director of our Company) and certain of its doctors requesting for an explanation with respect to the allegations made in the Complaint. These notices were subsequently

responded to by our doctors. Subsequently, TSMC *vide* letters dated September 14, 2016 and October 15, 2016 requested Dr. Bhaskar Rao Bollineni to submit his reply in relation to the Complaint and appear before the Ethics Committee of TSMC. Dr. Bhaskar Rao Bollineni submitted his reply to TSMC *vide* letter dated November 2, 2016. The matter is currently pending.

2. Md. Rafiq Ismail (**"Complainant"**) *vide* letters to the Prime Minister of India and the Prime Minister's office in 2016 alleged *inter alia* negligence on part of our doctors in treating his mother (**"Deceased Patient"**) who passed away at our hospital in Secunderabad. Subsequently, the Prime Minister's Office *vide* letter dated October 15, 2016 forwarded the complaints to the Chief Secretary, Government of Andhra Pradesh. Pursuant to this, the TSMC *vide* letter dated January 27, 2017 addressed to our medical superintendent requested us to furnish a detailed report on the Deceased Patient along with the names of the concerned doctors who treated the Deceased Patient. The matter is currently pending.

3. Mohd. Humayun Ahmed Khan (**"Complainant"**) *vide* complaint dated January 25, 2017 addressed to the State Human Rights Commission, Hyderabad (**"Commission"**) alleged *inter alia* that a certain J. Prakash was wrongly overcharged for the treatment of swine flu by our hospital and requested suo moto action by the Commission into the matter. The Complaint was subsequently forwarded and received by the Telangana State Medical Council (**"TSMC"**) on March 23, 2017, pursuant to which the TSMC *vide* letter dated March 24, 2017 addressed to our medical superintendent requested us to furnish a detailed explanation. The matter is currently pending.

4. M Chandra Sekhar ("**Complainant**") submitted a complaint dated July 27, 2017 ("**Complaint**") addressed to the Registrar, Telangana State Medical Council ("**TSMC**"), alleging *inter alia* negligence and carelessness on part of the doctors in KIMS Kondapur and our hospital situated in Secunderabad (**KIMS Secunderabad**) in treating the Complainant's son. Pursuant to the Complaint, TSMC issued notice dated August 29, 2017 to the medical superintendents of KIMS Kondapur and KIMS Secunderabad, requesting for a detailed explanation with respect to the allegations made in the Complaint. The matter is currently pending.

5. Vijay Gopal (**"Complainant"**) *vide* complaint dated October 14, 2017 (**"Complaint"**) addressed to the Commissioner, Department of Labour, Government of Telangana (**"Department of Labour"**) alleged *inter alia* that certain establishment including our hospital situated in Secunderabad were in violation of certain employee welfare provisions of the Shops & Establishments Act, 1988. The Complaint was subsequently forwarded to our Company by the Department of Labour *vide* letter dated November 25, 2017 requesting us to submit our remarks, along with relevant records. The matter is currently pending.

C. Tax proceedings against our Company

As on the date of this DRHP the following tax proceedings are pending against our Company:

(₹ in million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct tax		
Nil	Nil	Nil
Sub-total (A)	Nil	Nil
Indirect tax		
Luxury tax	7	82.27
Value added tax	1	1.76
Service tax	3	59.63
Sub-total (B)	11	143.66
Total (A+B)	**11**	**143.66**

D. Proceedings initiated against our Company for economic offences

As on the date of this DRHP there are no proceedings initiated against our Company for economic offences.

E. Default and non – payment of statutory dues

Our Company does not owe any statutory dues and has not made any defaults or committed any acts involving non-payments of its statutory dues, except for certain minor delays in payment of such dues. For details, see "*Summary Financial Information - Observations made by our Auditors*" on page 62.

F. Material frauds against our Company

As on the date of this DRHP, no material frauds have been committed against our Company in the last five years.

G. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956.

No inquiry, inspection or investigation have been initiated or conducted against our Company under the Companies Act, 2013 or the Companies Act 1956 during the past five years.

H. Details of prosecutions filed (whether pending or not); fines imposed or compounding of offences effected in the last five years.

1. Our Company filed an application dated January 4, 2013 before the Company Law Board, Chennai (**"CLB"**) for compounding of offences under Section 297 of the Companies Act, 1956 since it failed to obtain prior approval of the Central Government before entering into transactions (involving supply of manpower to the Company for hospital maintenance) from April 1, 2007 to January 31, 2013 with M/s Manpower Resource Bank, a proprietary concern and a related party at the time of entry into such transactions. The CLB issued an order dated June 25, 2013 for compounding the offence on payment of ₹ 0.25 million by our Company and ₹ 10,000 each by Dr. Bhaskar Rao Bollineni and Dr. Sambasiva Rao Maneni.

2. Our Company filed a petition dated April 22, 2017 before the National Company Law Tribunal, Hyderabad (**"NCLT"**) under Section 621A of the Companies Act, 1956 and Section 441 of the Companies Act, 2013 praying for condonation and compounding of violation of Section 383A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013. Our Company was in violation of Section 383A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013 as it failed to appoint a company secretary for the following periods: (i) May 2, 2008 till March 15, 2009; (ii) June 27, 2013 till March 31, 2014; and (iii) December 8, 2014 till June 30, 2015. The NCLT *vide* order dated June 7, 2017 compounded the aforementioned violation and imposed a penalty of ₹ 0.62 million on our Company.

3. Our Company, Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni and Sambasiva Rao Mayeni (**"Applicants"**) filed an application dated June 10, 2017 before the Regional Director, South East Region, Hyderabad (**"RD"**) / National Company Law Tribunal, Hyderabad under Section 621A of the Companies Act, 1956 and under Section 441 of the Companies Act, 2013 praying for condonation and compounding of contravention of Section 67(3) of the Companies Act, 1956. Our Company issued 733,535 Equity Shares by way of preferential allotment to 64 persons on September 14, 2005 and was therefore in violation of Section 67(3) of the Companies Act, 1956. The RD *vide* its order dated June 23, 2017 compounded the aforementioned offence and levied a compounding fee of ₹ 5,000 on each of the Applicants.

I. Other material outstanding litigation involving our Company

Material outstanding litigation against our Company

<u>*Civil proceedings*</u>

The following material civil proceedings have been initiated and are pending against our Company:

1. Sruthi R. (**“Patient”**) was admitted for neuro intensive care after falling down in a bus in our hospital situated at Secunderabad. The Patient received treatment at our hospital situated at Secunderabad and was subsequently discharged by the hospital on March 11, 2014. The Patient was readmitted after medical insurance was issued by ESI Corporation. Later, she developed certain complications and expired on May 15, 2014. Subsequently, R. Samba Murthy and another (**“Complainants”**) filed a complaint in August, 2014 (“**Complaint”**) against our hospital situated at Secunderabad, Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni, Dr. Sambasiva Rao Maveni, Rajendra Kumar Jain, K.V. Krishna Kumar, Anitha Dandamudi, Dr. Padmasri Krishna Thanu Pillai, Dr. B. Kameshwar Rao, Dr. Amith Verma and Dr. Sita Jayalakxhmi (**“Accused”**) before the A.P. State Consumer Disputes Redressal Commission, Hyderabad (**“APSCDRC”**) alleging *inter alia* negligence and deficiency in treatment of the Patient on part of the Accused. Further, the Complainants claimed compensation amounting to ₹ 10 million. In response to the Complaint, the Accused filed a reply before the APSCDRC. The matter is currently pending.

2. Dr. B.G. Sreedhar (**“Patient”**) suffered a road accident on November 11, 2009 and was treated at a third party hospital for head injuries before he was shifted to our hospital situated at Secunderabad, where he received treatment from our doctors and was discharged subsequently. Subsequently, on January 28, 2010, the Patient allegedly developed complications and was admitted to a third party hospital for treatment and was later brought to our hospital situated at Secunderabad, where he underwent computed tomography angiogram. The patient was declared dead on January 31, 2010 in our hospital. Subsequently, B.G. Sreedevi, wife of the deceased and others (**“Complainants”**) filed a complaint dated January 30, 2012 before the A.P. State Consumer Dispute Redressal Commission, Hyderabad (**“APSCDRC”**) against us and three of our doctors alleging *inter alia* negligence on part of our hospital and the concerned doctors. Further, the Complainants prayed for a compensation of ₹ 9 million, along with interest. The APSCDRC *vide* order dated January 20, 2014 (**“Order”**) decreed a compensation of ₹ 0.5 million in favour of the Complainants. An appeal was instituted by us against the Order before the National Consumer Disputes Redressal Commission. The matter is currently pending.

3. Dr. V. Sadananda Rao (**“Complainant”**) after consulting a third party hospital underwent surgery for the removal of calculi in his gall bladder at our hospital situated at Secunderabad and subsequently underwent stent removal procedure. Subsequently, certain complications arose pursuant to the removal of stents and the Complainant was admitted to our hospital situated at Secunderabad. Post-treatment, the Complainant filed a complaint dated June 15, 2016 before the Telangana State Consumer Disputes Redressal Commission, Hyderabad (**“TSCDRC”**) against our Company and another (**“Accused”**) alleging *inter alia* gross negligence in the stent removal procedure conducted by the Accused due to which the Complainant had been exposed to life threatening situation. In light of this, the Complainant prayed for compensation of ₹ 5.6 million. The Accused filed their reply before the TSCDRC on October 12, 2016. The matter is currently pending.

4. U. Pundareekudu (**“Complainant”**), a patient in our hospital situated at Secunderabad, underwent surgery for his back problem. Post-surgery, the Patient allegedly developed some complications in his lower body and was operated upon again at our hospital situated at Secunderabad. Subsequent to the operation, the Complainant filed a complaint dated April 19, 2016 before the National Consumer Disputes Redressal Commission, New Delhi (**“NCDRC”**) against our Company and another (“**Accused**”) alleging *inter alia* negligence and deficiency in service. Further, the Complainant prayed for a compensation of ₹ 15.9 million, along an interest of nine percent per annum. The NCDRC admitted the complaint *vide* order dated July 4, 2016. The matter is currently pending.

Material outstanding litigation by our Company

1. Our Company instituted a writ petition before the High Court, Hyderabad against the state of Andhra Pradesh, Nellore Municipality Corporation and others (**“Respondents”**) praying for a declaration that the proposed action of Respondents of seeking to demolish our Company’s hospital situated at Nellore (**“Property”**) as illegal, arbitrary and requested for directions to the effect that the Respondents shall not take any coercive any steps in respect of the Property. The High Court, Hyderabad *vide* order dated November 11, 2014 passed interim order wherein it ordered the Respondents to restrain from demolishing the Property. The matter is currently pending.

J. *Outstanding dues to small scale undertakings or any other creditors*

As of September 30, 2017, our Company had 2,546 creditors, to whom a total amount of ₹ 1,012.08 million was outstanding. In terms of the Materiality Policy, as of September 30, 2017, our Company had seven material creditors, to whom an amount of ₹ 137.32 million was outstanding on a consolidated basis.

Further, the Company does not owe any amounts to any small scale undertakings.

For complete details about outstanding dues to creditors of our Company, see www.kimshospitals.com/stakeholder-relations.

K. *Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.*

There are no outstanding litigation, suits, criminal or civil proceedings, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices against any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

L. *Other litigation*

1. Our Company filed an application dated April 11, 2017 (**"Condonation Application"**) before the Secretary, Ministry of Corporate Affairs under Section 460 of the Companies Act, 2013 praying for condonation of delay for filing a Form-23, as the failure to do the same amounted to a contravention of section 192 of the Companies Act, 1956. The condonation prayed for is in relation to the failure to duly file a Form-23 for the special resolution dated March 25, 2004 that was passed by the Company under section 81(1A) of the Companies Act, 1956 read with applicable rules of the Unlisted Public Companies (Preferential allotment) Rules, 2003. The Assistant Director, Ministry of Corporate Affairs *vide* order dated June 28, 2017 condoned the abovementioned offence and ordered our Company to file the requisite form filings with the relevant authorities.

2. Our Company filed an application dated April 11, 2017 (**"Condonation Application"**) before the Secretary, Ministry of Corporate Affairs under Section 460 of the Companies Act, 2013 praying for condonation of delay for filing a Form-23, as the failure to do the same amounted to a contravention of section 192 of the Companies Act, 1956. The condonation prayed for is in relation to the failure to duly file a Form-23 for the special resolution dated February 5, 2005 that was passed by the Company under section 81(1A) of the Companies Act, 1956 read with applicable rules of the Unlisted Public Companies (Preferential allotment) Rules, 2003. The Assistant Director, Ministry of Corporate Affairs *vide* order dated June 28, 2017 condoned the abovementioned offence and ordered our Company to file the requisite statutory form filings.

3. Our Company filed an application dated April 11, 2017 (**"Condonation Application"**) before the Secretary, Ministry of Corporate Affairs under Section 460 of the Companies Act, 2013 praying for condonation of delay for filing a Form-23, as the failure to do the same amounted to a contravention of section 192 of the Companies Act, 1956. The condonation prayed for is in relation to the failure to duly file a Form-23 for the special resolution dated September 6, 2005 that was passed by the Company under section 81(1A) of the Companies Act, 1956 read with applicable rules of the Unlisted Public Companies (Preferential allotment) Rules, 2003. The Assistant Director, Ministry of Corporate Affairs *vide* order dated June 28, 2017 condoned the abovementioned offence and ordered our Company to file the requisite statutory form filings.

4. Our Company filed an application dated April 11, 2017 (**"Condonation Application"**) before the Secretary, Ministry of Corporate Affairs under Section 460 of the Companies Act, 2013 praying for condonation of delay for filing a Form-23, as the failure to do the same amounted to a contravention of

section 192 of the Companies Act, 1956. The condonation prayed for is in relation to the failure to duly file a Form-23 for the special resolution dated October 10, 2006 that was passed by the Company under section 81(1A) of the Companies Act, 1956 read with applicable rules of the Unlisted Public Companies (Preferential allotment) Rules, 2003. The Assistant Director, Ministry of Corporate Affairs *vide* order dated June 28, 2017 condoned the abovementioned offence and ordered our Company to file the requisite statutory form filings.

5. Our Company filed an application dated April 11, 2017 (**"Condonation Application"**) before the Secretary, Ministry of Corporate Affairs under Section 460 of the Companies Act, 2013 praying for condonation of delay for filing a Form-23, as the failure to do the same amounted to a contravention of section 192 of the Companies Act, 1956. The condonation prayed for is in relation to the failure to duly file a Form-23 for the special resolution dated March 1, 2007 that was passed by the Company under section 81(1A) of the Companies Act, 1956 read with applicable rules of the Unlisted Public Companies (Preferential allotment) Rules, 2003. The Assistant Director, Ministry of Corporate Affairs *vide* order dated June 28, 2017 condoned the abovementioned offence and ordered our Company to file the requisite statutory form filings.

6. Trademark opposition proceedings have been filed against two of our trademark applications for our corporate logo 'KIMS HOSPITALS' (logo) by KIMS Health Care Management Limited ("**KHCML**"); against one of our trademark applications for the 'KIMS – THE FUTURE OF HEALTH' (logo) by Kamineni Educational Society ("**KES**") and KHCML; and against one of our applications for the trademark 'KIMS HOSPITALS' by KES and KHCML, separately in each case, before the Registrar of Trade Marks, Chennai. These opposition applications have been filed on various grounds including, *inter alia*, deceptive similarity with certain trademarks used by the opposing parties, claiming that grant of registration of these trademarks to our Company could lead to loss of distinctive character and reputation of their trademarks. These opposition proceedings are currenly pending.

II. Litigation involving our Subsidiaries

1. Outstanding litigation involving our Subsidiaries

Criminal proceedings against our Subsidiaries

As on the date of this DRHP, there are no criminal proceedings pending against our Subsidiaries.

Criminal proceedings by our Subsidiaries

As on the date of this DRHP, there are no pending criminal proceedings initiated by our Subsidiaries.

B. Pending action by statutory or regulatory authorities against our Subsidiaries

As on the date of this DRHP, there are no pending actions by statutory or regulatory authorities against our Subsidiaries.

C. Tax proceedings against our Subsidiaries

As on the date of this DRHP, there are no pending tax proceedings against our Subsidiaries.

D. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Subsidiaries in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

E. Other material outstanding litigation involving our Subsidiaries

Material outstanding litigation against our Subsidiaries

1. Geddam David Nelson Babu (**"Plaintiff"**) instituted a suit dated August 2, 2017 against KIMS Hospitals Private Limited and five others (**"Defendants**) before the Junior Civil Judge, Rajamahendravaram seeking declaration that the lease deed dated August 25, 2011 and rectification deed dated April 11, 2014 pertaining to a piece of land in Rajahmundry (sub-leased to KIMS Hospitals Private Limited) are illegal and void. The matter is currently pending and the amount involved therein is not ascertainable.

Material outstanding litigation by our Subsidiaries

As on the date of this DRHP, there is no material outstanding litigation instituted by our Subsidiaries.

III. Litigation involving our Directors

A. Outstanding criminal litigation involving our Directors

Criminal proceedings against our Directors

Dr. Bhaskar Rao Bollineni

For details of other criminal proceedings initiated against Dr. Bhaskar Rao Bollineni which also involve our Company, see "- *Outstanding criminal litigation involving our Company"* on page 360.

Sanjeev Sehrawat

1. Jagdish Arora, a partner of M/s Footstyle (**"Complainant"**) opened a current bank account (**"Account"**) with ICICI Bank and allegedly forwarded documents and cash for export through the Account, which were subsequently not received by the intended recipient. In light of this, the Complainant instituted a complaint dated April 10, 2006 against Sanjeev Sehrawat and another (**"Accused"**), who are the concerned officials of the ICICI Bank before the Additional Chief Judicial Magistrate, Agra (**"Trial Court"**) alleging *inter alia* that the documents and money were wrongfully withheld, which resulted in a huge loss to his firm. The Trial Court took cognisance of the Complaint and summoned the Accused. Subsequently, on an application before the Allahabad High Court, the Allahabad High Court *vide* order dated February 28, 2007 granted a stay on the proceedings of the trial court. The matter is currently pending.

Criminal proceedings by our Directors

As on the date of this DRHP, there are no pending criminal proceedings initiated by our Directors.

B. Pending action by statutory or regulatory authorities against our Directors

For details of pending actions by statutory or regulatory authorities against Dr. Bhaskar Rao Bollineni which also involves our Company, see "- *Pending actions by statutory or regulatory authorities against our Company*" on page 361.

C. Tax proceedings against our Directors

The following is the amount involved in the tax proceedings outstanding against our Director:

Krishnaiah Bollineni

(₹ in million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct tax		
Income Tax	2	15.93

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Total	2	15.93

D. Other Material outstanding litigation involving our Directors

Material outstanding litigation against our Directors

1. In relation to the criminal proceedings described in case (2) in the sub-section '- *Criminal proceedings against our Company*' on page 360, Junnuthula Aruna, wife of deceased J. Narsimha Reddy instituted a consumer complaint dated November 3, 2017 against Dr. Bhaskar Rao Bollineni and one of our doctors before the Telangana State Consumer Disputes Redressal Commission claiming a compensation of ₹ 3 million and punitive damages of ₹ 2 million. The matter is currently pending.

In addition to the above, as on the date of this DRHP, there is no material outstanding litigation against our Directors except the material civil proceedings against Dr. Bhaskar Rao Bollineni, Krishnaiah Bollineni and Anitha Dandamudi which also involves our Company. For details, see "- *Other Material outstanding litigation involving our Company*" on page 363.

Material outstanding litigation by our Directors

As on the date of this DRHP, there is no material outstanding litigation initiated by our Directors.

Sanjeev Sehrawat

1. Sanjeev Sehrawat instituted a consumer complaint dated May 23, 2016 against Sunteck Realty Limited (**"Defendant"**) before the National Consumer Disputes Redressal Commission, New Delhi alleging *inter alia* that the Defendant failed to execute an agreement for sale of an apartment (pursuant to an allotment letter issued in August, 2010) in the Defendant's real estate project. The matter is currently pending.

IV. Litigation involving our Promoters

A. Outstanding criminal litigation involving our Promoters

Criminal proceedings against our Promoters

1. Central Bureau of Investigation, Hyderabad ("**CBI**") received a complaint ("**Complaint**") from M/s. United India Insurance Co. Ltd. ("**Complainant**") alleging that certain hospitals including Bollineni Super Specialty Hospital, Nellore (hospital owned by BRMH) is indulging in fraudulent activities by raising medi-claims which caused a financial loss of ₹ 1,397,524. Pursuant to the Complaint, CBI instituted a criminal case against Dr. Bhaskar Rao Bollineni, BRMH ("**Accused**") and two other persons in 2007 before the XIV Additional Chief Metropolitan Magistrate, Hyderabad ("**Magistrate Court**") under Sections 120-B, 420, 468 and 471 of the Indian Penal Code, 1860 and Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 ("**Criminal Case**"). The Accused instituted quashing petitions before the High Court, Hyderabad in 2012 and 2013 against the Criminal Case. The High Court, Hyderabad *vide* orders in 2016 and 2017 granted stay on further proceedings. The matter is currently pending.

For other outstanding criminal proceedings against Dr. Bhaskar Rao Bollineni which also involves our Company, see "*Outstanding criminal litigation involving our Directors*" on page 367.

Criminal proceedings by our Promoters

As on the date of this DRHP, there are no pending criminal proceedings initiated by our Promoters.

B. ***Pending actions by statutory or regulatory authorities against our Promoters***

1. Dr. Abhinay Bollineni's name was published in the list relating to directors disqualified under Section 164(2) of the Companies Act (**"Notification"**) on MCA's website (in relation to his directorship in Pulse Nano Surgical Equipments Private Limited). In this regard, Dr. Abhinay Bollineni filed a writ petition against the MCA and the RoC before the High Court, Hyderabad wherein he requested the High Court, Hyderabad to stay the operation of the Notification as interim relief and additionally declare the Notification as illegal and arbitrary through a writ of mandamus. The High Court, Hyderabad *vide* interim order dated December 5, 2017 directed the MCA and the RoC to restore Dr. Abhinay Bollineni's DIN to enable him to submit annual returns for the last three financial years and the financial statement by December 30, 2017. The matter is currently pending.

For details of pending action by statutory or regulatory authorities against our Promoters, see case 3 (BSCPL) in "- *Pending action by statutory or regulatory authorities against our Group Companies"* on page 370 and "- *Pending actions by statutory or regulatory authorities against our Company*" on page 361.

C. ***Tax proceedings against our Promoters***

In addition to the tax proceedings referred to in "- *Tax proceedings against our Promoters – Krishnaiah Bollineni*", the following is the amount involved in the tax proceedings outstanding against our Promoters:

Seenaiah Bollineni

* *In ₹ million.*

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings*
Direct tax		
Income tax	1	19.47
Total	1	19.47

D. ***Other material outstanding litigation involving our Promoters***

Material outstanding litigation against our Promoters

Civil Proceedings

For details of civil proceedings against Dr. Bhaskar Rao Bollineni and Krishnaiah Bollineni, see "- *Material outstanding litigation against our Directors*" on page 368.

Material outstanding litigation by our Promoters

As on the date of this DRHP, there is no material outstanding litigation initiated by our Promoters.

E. ***Litigation or legal action by the Government of India or any statutory authority in last five years***

Except as stated in "- *Details of prosecutions filed (whether pending or not); fines imposed or compounding of offences effected in the last five years*" on page 363 and "- *Pending actions by statutory or regulatory authorities against our Promoters*" on page 369, there is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this DRHP against our Promoters and no direction has been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

V. **Litigation involving our Group Companies**

A. ***Outstanding criminal litigation involving our Group Companies***

Criminal proceedings against our Group Companies

As on the date of this DRHP, there are no pending criminal proceedings initiated against our Group Companies.

Criminal proceedings by our Group Companies
As on the date of this DRHP, there are no pending criminal proceedings initiated by our Group Companies.

B. Pending action by statutory or regulatory authorities against our Group Companies

I. BSCPL Infrastructure Limited ("BSCPL")

1. The Tahsildar, Revenue Department, Nilgiri, issued a reminder notice to BSCPL intimating them that they were liable to pay an amount of ₹ 0.44 million towards dues payable to the government on account of land conversion which was previously intimated to BSCPL *vide* letter bearing No. 12663 dated December 13, 2006 issued by the Tahsildar, Nilgiri. The matter is currently pending.

2. BSCPL received an order dated February 10, 2012 passed by the Assessing Officer under the Building and Other Construction Worker's Welfare Cess Act, 1996 (the "**Cess Act**") in assessment case No. 03/BOC/11 stating that BSCPL was liable to pay labour cess under the Cess Act amounting to ₹ 30.26 million and to further submit the returns under section 4(2) of the Cess Act. Subsequently, BSCPL filed a writ petition bearing W.P. No. 15 of 2012 against the State of Chhattisgarh through the Secretary, Department of Labour, Assistant Labour Commissioner (Assessing Officer under the Cess Act), and Chief Executive Officer, Naya Raipur Development Authority, before the High Court of Chhattisgarh at Bilaspur against the order dated February 10, 2012 issued by the Assistant Labour Commissioner, Department of Labour, Raipur. The matter is currently pending.

3. The Deputy Commissioner of Labour filed a suit bearing M.W. No. 57 of 2011 against BSCPL and Seenaiah Bollineni before the Joint Commissioner of Labour, Ranga Reddy Zone, Hyderabad, which is the authority under the Minimum Wages Act, 1948 ("**Minimum Wages Act**") stating that on an inspection conducted at BSCPL's crusher site on April 29, 2011, it was found that the wages being paid by BSCPL to its employees were below the statutory requirement under the Minimum Wages Act and the G.O.Ms. No. 5 dated February 14, 2008. The total liability as calculated by the Deputy Commissioner of Labour was ₹ 0.28 million being the difference amount to be paid from October 1, 2010 to March 31, 2011. BSCPL filed its reply on December 25, 2011.The matter is currently pending.

For details of pending action by statutory or regulatory authorities against KHEPL, see case 4 in "- *Pending actions by statutory or regulatory authorities against our Company"* on page 361.

C. Tax proceedings against our Group Companies

The following is the amount involved in the tax proceedings outstanding against our Group Companies:

I. BSCPL

(₹ in million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings*
Direct tax		
Income Tax	5	6.20
Sub-total (A)	5	6.20
Indirect tax		
Service Tax	1	273.64
Entry Tax	10	370.67
Sales Tax	6	14.43
Value Added Tax	6	211.83
Customs Duty	1	Nil
Sub-total (B)	24	870.57
Total (A+B)	29	876.77

II. Bollineni Developers Limited ("BDL")

(*₹ in million*)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings*
Direct tax		
Income tax	2	0.75
Indirect tax		
Service tax	1	46.87
Total	3	47.62

D. Other Material outstanding litigation involving our Group Companies

Material outstanding litigation against our Group Companies

I. BSCPL

1. Rajesh Kumar Jayantilal filed a civil suit bearing No. 251 of 2011 against NHAI, Government of India, Collector of Dahod, Government of Gujarat, BSCPL and certain others before the Court of Principal Civil Judge, Dahod, Gujarat claiming enhancement of compensation paid to him by NHAI for acquisition of land during the project undertaken for widening of the Ahmedabad- Indore road from two lane to four lane. BSCPL has filed its written statement. However, the amount of compensation payable has not been ascertained. The matter is currently pending.

2. Jayanna and certain others filed a civil suit bearing O.S. No. 531 of 2010 against RG Desai, employee of BSCPL before the Court of Civil Judge (Junior Division), Channarayapatna, Karnataka to restrain the respondent from doing any mining work on the suit property situated at Kodibealgola, Ragibommenahalli, Gowdgere Village, until they obtained proper licences from the concerned department or otherwise causing any damage to his land. BSCPL has submitted to the court on February 9, 2010 that the suit property was neither owned nor leased by BSCPL and further that, no mining activity was undertaken on the same. An application for interim injunction dated December 9, 2010 was filed by plaintiffs, and a reply dated December 18, 2010 thereto was filed by the respondent herein. The amount involved in this matter is not ascertainable. The matter is currently pending.

3. BSCPL received a demand notice dated June 13, 2017 (**"Demand Notice"**) from M/s. Hill & Smith Infrastructure Projects India Ltd. (**"Claimant"**) under Rule 5(1)(a) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (**"IBC Rules"**). Under the Demand Notice, the Claimant alleged that BSCPL has to pay ₹ 24.61 million to the Claimant for supplying brifen wire ropes to BSCPL. Subsequently, M/s. Hill & Smith Infrastructure Projects India Ltd. initiated corporate insolvency resolution process under Rule 6 of the IBC Rules before the National Company Law Tribunal, Hyderabad, Telangana in September, 2017. The matter is currently pending.

4. C.S. Rajesh (**"Complainant"**) instituted an application for compensation (**"Complaint"**) against BSCPL and another before the Senior Civil Judge & JMFC, K.R. Nagar (**"Civil Judge"**) under Section 166 of the Motor Vehicles Act, 1988 praying for a compensation of ₹ 28.35 million for grevious injuries suffered by the Complainant in a road traffic accident. The Civil Judge *vide* order dated June 7, 2017 awarded a compensation of ₹ 8.17 million to the Complainant, along an interest of 9% per annum from the date of the Complaint. The matter is currently at the execution stage.

II. BDL

1. In relation to case 1 of "*Material outstanding litigation by our Group Companies - BDL"*, Shailendra Kumar instituted a civil suit before the Madras High Court in 2013 against R. Chandrashekaran and BDL for release of a certain landholding that was attached pursuant to the concerned proceedings. The amount under dispute is ₹ 4.04 million. The matter is currently pending.

Material outstanding litigation by our Group Companies

I. BSCPL

1. BSCPL was awarded an amount of ₹ 3,709.28 million (**"Award 1"**) with respect to a contract it entered into with NHAI on May 25, 2001 for the construction and widening of 4/6 lanes and upgrading of the existing 2 lane road of NH-60 in the State of West Bengal from Laxmannath (53.43 km) to Kharagpur (119.28 km) by the Dispute Review Board (**"DRB"**) against NHAI. The disputes that were referred to the DRB were with respect to (a) non-payment of price escalation due to BSCPL in terms of the contract for the period upto June 2005; (b) losses suffered due to arbitrary recovery of mobilization advance from the interim payment certificates in contravention to the contract; (c) payment of additional incidence of royalty and cess charges in respect of various minerals; (d) losses suffered due to excess recovery of retention money from interim payment certificates; and (e) payment for supply of furniture for engineer office and project director's office at Kharagpur. Award 1 was referred to the Arbitral Tribunal (**"AT"**) by BSCPL on March 16, 2005. The AT decided in favour of BSCPL and *vide* award dated January 15, 2008 and modified award dated March 1, 2008 awarded BSCPL with respect to the following claims: (a) an amount to the extent of ₹ 567.71 million with interest at the rate of 8.00% p.a., and (b) an amount to the extent of ₹ 52.00 million with 10.00% interest p.a. compounding monthly up to the date of completion of work and pendente lite interest at the rate of 8.00% p.a. upto the date of award qualified as ₹ 12.54 million. Further, an amount of ₹ 0.18 million was also awarded towards the cost of arbitration. Aggrieved by this, NHAI filed an appeal bearing No. 50 of 2008 under section 34 of the Arbitration and Conciliation Act, 1996 against BSCPL before the Fourth Court of Additional District Judge, Paschim Medinipur, West Bengal seeking dismissal of the aforementioned award. The court, *vide* order dated April 26, 2011 decided not to interfere with the findings of the AT and hence dismissed the said appeal. Subsequently, NHAI approached the Calcutta High Court against the order and the matter is currently pending.

2. BSCPL referred a dispute dated November, 27, 2006 against NHAI before the DRB in relation to the dispute arising out of a contract dated March 1, 2006, it entered into with NHAI for widening and strengthening of existing national highway from two lane to four lane for the 551.00 km to 526.00 km of Siliguri to Islampur section of NH-31 in West Bengal. During the execution of the work, following disputes had arisen between NHAI and BSCPL, which were referred to the DRB: (a) dispute regarding embankment protection by providing sheet piling; (b) dispute regarding using polymer modified bitumen in bituminous concrete work; (c) dispute regarding construction of truck terminal pavement with pavement quality concrete; (d) dispute regarding steel liner for pile foundation in road over bridge at 528 km request for extra payment; and (e) dispute regarding deduction towards labour cess. BSCPL claimed a total amount of ₹ 116.24 million with interest at the rate of 10.00% p.a. on the sums found due and payable from the date each sum become payable till the date of award as furnished in the contract and from the date of award till the date of actual payment interest at the rate of 18.00% p.a., which the DRB had allowed *vide* letter dated December 17, 2008 with respect to claim regarding deduction of labour cess and through letter dated March 10, 2009 with respect to claim towards use of polymer modified bitumen in bitumen concrete work and construction of truck terminal pavement and letter dated June 17, 2009 with respect to the claim regarding steel liners for pile foundation. NHAI preferred an appeal against the recommendations of the DRB before the AT on March 2, 2010 seeking quashing of the impugned recommendation. The AT *vide* award dated August 8, 2014 (**"Award"**) upheld the recommendations of the DRB. NHAI filed an objection against the Award before the High Court of Delhi (**"Court"**) which was subsequently dismissed by the Court *vide* order dated June 17, 2016 (**"Order"**). NHAI filed an appeal against the Order before the Court under section 37(1)(c) of the Arbitration and Conciliation Act, 1996. This matter is currently pending.

3. BSCPL referred a dispute dated November 24, 2008 against NHAI to the DRB in relation to a dispute arising out of a contract entered into by NHAI and BSCPL for the construction of four lanes of Jhansi – Lakhandon section from 255 km to 297 km on NH-26 in Madhya Pradesh. BSCPL claimed that during the execution of the work, the project director of NHAI called for a meeting with respect to re-interpretation of clause 70 of the contract and unilaterally decided to adopt base rates of materials in the place of the current rates adopted upto interim payment certificates bearing No. 21 based on their audit report. In this regard, NHAI had recovered alleged excess payments made to BSCPL and ₹ 22.30 million had already been recovered in interim payment certificate bearing No. 23. As the recommendations of the DRB were not acceptable, BSCPL referred the matter to the AT on March 25, 2009 and NHAI referred its claim to the AT

on March, 23, 2010. The AT decided the matter in favour of BSCPL and directed NHAI to pay BSCPL an amount of ₹ 177.09 million. Aggrieved by the said award, NHAI filed appeal bearing No. 18 of 2010 dated March 23, 2010 against BSCPL before the District Judge, Narsinghpur, Madhya Pradesh challenging the arbitral award under section 34 of the Arbitration and Conciliation Act, 1996. Due to the pendency of the Section 34 Application (**"Section 34 Application"**) was pending before the District Judge, Narsinghpur for more than five years, NHAI approached the High Court of Madhya Pradesh for the transfer of the Section 34 Application to District Court, Jabalpur which was granted by the High Court of Madhya Pradesh *vide* order dated September 9, 2016. The matter is currently pending.

4. BSCPL referred a dispute *vide* letter bearing No. RIF/MP/C-7F.NO-116/BM/10/2336 dated December 31, 2009 against NHAI before the Dispute Adjudication Board (**"DAB"**) in relation to a contract for the construction of four laning of Jhansi – Lakhandon section for the 255 km to 297 km section on NH-26 in the State of Madhya Pradesh. BSCPL stated that they had raised the matter to the board regarding entitlement of the cost of delays suffered by it due to factors/reasons not attributable to it. The board had decided on April 7, 2010 that BSCPL was entitled to the claim and that the amount of claim was to be decided by NHAI/engineer within 60 days of the submission of claim details by BSCPL to them. Subsequently, BSCPL submitted the claim amount of ₹ 233.07 million on April 24, 2010 followed by additional clarifications on May 17, 2010 and June 30, 2010, but the same were not disposed of by the NHAI/engineer within 60 days. BSCPL approached the AT on for enforcing the directive of board which *vide* award dated May 13, 2015 (**"Award"**) rendered the award in favour of BSCPL. Subsequently, NHAI approached the High Court of Delhi under challenging the arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996. The matter is currently pending.

5. BSCPL ("**Applicant**") instituted a suit OS no.5254 of 2013 against the state of Karnataka and Karnataka State Highway Improvement Project ("**Respondents**") for recovery of the additional cost of ₹ 56.36 million incurred by BSCPL while undertaking the reconstruction of Road of 35.237 kms. in Belgaum district. The trial court passed an order dated March 15, 2016 ("**Order**") rejected the suit of the Applicant on the ground of limitation. The Applicant instituted an appeal before the High Court of Karnataka against the Order. The matter is currently pending.

6. BSCPL filed a revision petition being C.C.C.A. No. 172 of 2010 before the High Court, Hyderabad against the order dated February 1, 2007 passed by the XIV Additional Chief Judge (Fast Track Court) Civil Court, Hyderabad wherein, BSCPL *vide* O.S. No. 369 of 2002 against the Government of Andhra Pradesh (through the Chief Engineer, R&B, Andhra Pradesh Hazard Mitigation & Emergency Cyclone Rehabilitation Project), Superintendent Engineer and the Executive Engineer, R&B, Andhra Pradesh Hazard Mitigation & Emergency Cyclone Rehabilitation Project had claimed price escalation valued as per their agreement and interest applicable for delay in releasing retention money for the works done of improvement of the Anantapur-Palamaneru Road from km 38 to km 69 in Anantapur District. The amount claimed as price escalation is ₹ 40.74 million. BSCPL has filed an application for the condonation of delay bearing No. C.C.C.A.M.P. No. 14331 of 2007. The matter is currently pending.

II. BDL

1. BDL initiated arbitration proceedings under the Arbitration and Conciliation Act, 1996 against R. Chandrasekharan in 2009. The amount under dispute in the arbitration was ₹ 1137.22 million. The arbitrator passed a compromise award dated August 9, 2012 which was subsequently appealed against by R. Chandrasekharan before the Madras High Court. Subsequently, BDL also filed an execution petition in the Madras High Court in 2013 for the execution of the compromise award. In addition to the above, Shailendra Kumar instituted a civil suit before the Madras High Court in 2013 against R. Chandrashekaran and BDL for release of a certain landholding that was attached pursuant to the abovementioned proceedings. The matter is currently pending.

E. Other litigation

1. KHEPL filed a petition dated May 10, 2017 before the National Company Law Tribunal, Hyderabad under Section 621A of the Companies Act, 1956 and under Section 441 of the Companies Act, 2013 praying for

condonation and compounding of violation of Section 383A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013. KHEPL was in violation of Section 383A of the Companies Act, 1956 and Section 203 of the Companies Act, 2013 as it failed to appoint a company secretary for the following periods: (i) August 13, 2013 till March 31, 2014; and (ii) December 8, 2014 till September 30, 2016. The matter is currently pending.

VI. Material developments since the last balance sheet date

Other than as stated in "*Management's Discussion And Analysis Of Financial Condition And Results Of Operations*" on page 327, to our knowledge, no circumstances have arisen since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or profitability taken as whole, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In view of the material approvals listed below, our Company can undertake the Offer, and our Company, Subsidiaries and Associate Company, as mentioned below, can respectively undertake their current business activities. Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details of the regulatory and legal framework within which we operate, see "*Regulations and Policies*" on page 138.

A. Approvals relating to the Offer

1. Our Board has authorised the Offer pursuant to its resolution dated January 24, 2017.

2. The shareholders of our Company have authorised the Offer by a special resolution at the EGM held on March 21, 2017, and authorised the Board and the IPO Committee to take decisions in relation to the Offer.

3. The Offer for Sale has been authorised by the Selling Shareholders as set forth in "*The Offer*" on page 64.

4. Our Board has approved this Draft Red Herring Prospectus pursuant to its resolutions dated November 27, 2017 and December 11, 2017.

5. In-principle approval for the listing of our Equity Shares from the NSE dated [●].

6. In-principle approval for the listing of our Equity Shares from the BSE dated [●].

B. Corporate Approvals

1. Certificate of incorporation dated July 26, 1973, issued by the Registrar of Companies, Maharashtra, in the name of Jagjit Singh and Sons Private Limited.

2. Fresh certificate of incorporation dated February 21, 2003, issued by the RoC, consequent upon change in location of our registered office from the State of Maharashtra to the State of Andhra Pradesh, pursuant to an order dated January 29, 2003 by Company Law Board, Western Region Bench, Mumbai.

3. Fresh certificate of incorporation dated January 2, 2004, issued by the RoC, consequent upon change in name of our Company to 'Krishna Institute of Medical Sciences Private Limited', pursuant to a letter of approval from the Central Government dated January 2, 2004.

4. Fresh certificate of incorporation dated January 29, 2004, issued by the RoC, consequent upon conversion of the Company to a public limited Company as 'Krishna Institute of Medical Sciences Limited'.

5. Corporate identity number - U55101TG1973PLC040558.

6. Permanent account number - AACCK2540G, issued by the Income Tax Department, Government of India.

7. Tax deduction account number - HYDK01946A, issued by the Income Tax Department, Government of India.

8. Employees' provident fund code - AP/HY/44258, issued by the Regional Provident Fund Commissioner, Andhra Pradesh.

9. Employees' state insurance code number - 52-29965-09, issued by the Employees' State Insurance Corporation (Hyderabad regional office).

10. Pursuant to our Company's application dated January 28, 2017 for GST registration, our Company has been allotted a provisional GST identification number 36AACCK2540G1ZU. However, our Company has not yet received the certificate of provisional registration for GST.

C. Business and Operational Approvals

We operate a chain of multi-specialty hospitals owned by us, our Subsidiaries and Associate Company. For details, see *"Our Business - Overview"* on page 122.

In view of our business model, our Company, Subsidiaries and Associate Company are required to obtain various approvals, licenses and registrations in relation to our business. Such approvals, licenses and registrations may differ on the basis of location, as well the nature of facilities, provided at each of our hospitals. The material approvals typically required for the operation of our business are:

Business-related approvals

Registration as a 'private medical care establishment': We operate six hospitals in the states of Andhra Pradesh and Telangana. Each of these hospitals is required to be registered as a 'private medical care establishment' under the APMCE Act. A certificate of registration, once granted, is typically valid for a period of five years, following which it may be renewed for a further period of five years at a time.

Licenses to sell, stock, exhibit and distribute drugs: We are required to obtain certain licenses under the DC Act with respect to the pharmacies stocking, selling and distributing drugs within the premises of our hospitals. We also need to comply with the conditions laid down in the DC Act, the DC Rules and such conditions as may be specified in the license. A license once granted, is typically valid for five years.

Licenses under the NDPS Act: We are required to obtain a license under the NDPS Act, with respect to our purchase, sale and usage of certain 'narcotic drugs' and 'psychotropic substances', as defined in the NDPS Act. This license is typically valid for one year, and is subject to renewal.

Registration for pre-conception and pre-natal diagnostic testing: We undertake pre-conception and pre-natal diagnostic testing at some of our hospitals, and are consequently required to obtain registration under the PNDT Rules from the appropriate authority under the PNDT Act. Such registration is required to conduct one or more specified pre-natal diagnostic tests or procedures, depending on the availability of place, equipment and qualified employees, and standards maintained at the facility. Registrations under the PNDT Rules are typically valid for a period of five years, and are subject to renewal.

Registration for medical termination of pregnancy: In order to be able to provide the facility of medical termination of pregnancy, we require government authorisation with respect to the same, under the MTP Act. Such license is issued only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place. Such licenses are issued for a stipulated period mentioned therein, beyond which an application must be made for renewal.

Registration for harvesting and transplantation of organs: We are required to obtain a certificate of registration under the THO Act, in order to be able to engage in the removal, storage or transplantation of any human organ or tissue for therapeutic purposes. Registrations under the THO Act are valid for five years, and subject to renewal.

Registration for installing radiation generating equipment and handling radio-active material: We need to obtain licenses from the AERB with respect to nuclear medicine and radiation oncology facilities being operated by us, the radiation generating equipment like medical diagnostic or analytical X-ray machines installed therein, the radio-active material stored and used in our premises, and for the disposal of radioactive waste. We are required to comply with notified radiation surveillance procedures, including maintaining medical records of workers and ensuring rehabilitation of affected workers. The licenses are typically valid for a period of five years.

Building and fire-safety related approvals: We are required to obtain building plan approvals and occupancy certificates from local authorities, as applicable, with respect to the premises wherein our hospitals are being operated. In the event certain buildings have been unauthorizedly constructed or constructed in deviance of the building plan, we are required to compulsorily apply for regularisation before the relevant authorities. Failure to apply for such regularisation could lead to actions by the authorities, including demolition, imposition of penalties and non-consideration of any further building approvals for the impugned site.

Further, we are also required to obtain no-objection certificates for occupancy, with respect to our various hospital premises from relevant fire services departments, as applicable. Such no-objection certificates are valid for five years. Additionally, *vide* our letter dated March 13, 2017, we have sought a clarification from the Director General of Fire Services, Telangana as to whether any other license is required to be obtained with respect to our hospitals, over and above the no-objection certificates for occupancy mentioned above. A response from the concerned authority is awaited.

In addition to the aforestated approvals, we are also required to obtain licenses (i) to operate boilers; (ii) to possess and use denatured spirits in our hospitals from relevant authorities; (iii) to operate canteens in our hospitals; and (iv) to operate diesel generators above a prescribed voltage.

Environmental approvals

We are required to obtain consents/ authorisations under the Water Act, Air Act, Hazardous Waste(s) Rules and BMW Rules, from the relevant state pollution control boards where such hospitals are situated. These consents/ authorisations may also prescribe additional conditions that would need to be complied with. Such authorisations are subject to renewals, as applicable.

Labour-related approvals

We are required to register and obtain licenses under various labour legislations, as applicable in the states of Andhra Pradesh and Telangana. These requirements include, *inter alia*, registration under legislations pertaining to employees' state insurance, employees' provident fund, contract labour and shops and establishments. The terms of such registrations may be subject to renewal, as applicable.

Tax-related approvals

We are required to obtain various tax related approvals including permanent account number, tax deduction account number, service tax registration, registration under state legislations for tax on professions, trades and callings and employment, value added tax and sales tax related registrations in the states where we operate.

We currently hold all aforementioned material approvals, as applicable, for each of the six hospitals, except as stated below:

Pending Applications

Our Company, Subsidiaries and Associate Company have made the following applications, which are currently pending before the relevant authorities:

A. Fresh Applications

S No.	Description	Authority	Date
KIMS Secunderabad			

1	Application for grant of occupancy certificate with respect to Block I and Block I Extension of the hospital.	Greater Hyderabad Municipal Corporation	May 19, 2014
2	Application for grant of occupancy certificate with respect to Block II of the hospital.	Greater Hyderabad Municipal Corporation	May 19, 2014
KIMS Srikakulam			
1	Application for regularisation of 3rd and 4th floor of the hospital building.	Office of the Vice-Chairman, Srikakulam Municipality	July 14, 2015
2	Application for grant of occupancy certificate with respect to the hospital building.	Municipal Commissioner, Srikakulam Municipal Corporation	March 8, 2017
KIMS Rajahmundry			
1	Application under the Building Penalisation Scheme for regularisation of the cellar and ground, first, second, third and fourth floors of the hospital building.	Municipal Commissioner, Rajahmundry Corporation, Rajahmundry	January 24, 2008
2	Application under the Building Penalisation Scheme for regularisation of the fifth floor of the hospital building.	Municipal Commissioner, Rajahmundry Corporation, Rajahmundry	October 31, 2015
3	Application for grant of occupancy certificate with respect to the hospital building.	Commissioner, Municipal Corporation of Rajamahendravaram	March 11, 2017
KIMS Nellore			
1	Application for grant of occupancy certificate with respect to the three buildings of the hospital.	Commissioner, Nellore Municipal Corporation	March 13, 2017
2	No-objection certificate for occupancy from State Disaster Response and Fire Services Department, Andhra Pradesh with respect to the OP building of the hospital.	Director of Fire Services, Southern Region, Andhra Pradesh, Vijaywada	June 12, 2017
3	Common application for establishing industrial undertaking for additional 50 beds, in light of increase in capacity.	Department of Industries, Government of Andhra Pradesh	March 15, 2017
KIMS Ongole			
1	Application for approval of institute registration in relation to diagnostic radiology.	Atomic Energy Regulatory Board	December 9, 2016
2	Application for registration of radiation professional.	Atomic Energy Regulatory Board	December 13, 2016
KIMS Kondapur			
1	Application for regularisation of Block I of the hospital.*	Greater Hyderabad Municipal Corporation	January 31, 2016

* *As KIMS Kondapur is being run on leased premises, the application has been filed by S Sunand, one of the lessors of the premises.*

B. Renewal Applications:

S No.	Description	Authority	Date
KIMS Secunderabad			
1	Application seeking authorisation to handle bio-medical waste for a 1000-bed hospital, in light of increase in capacity.	Regional Officer, Telangana State Pollution Control Board	January 25, 2017
2	Application seeking consent order under Air Act and Water Act and the Hazardous Waste(s) Rules for a 1000-bed hospital, in light of increase in capacity.	Regional Officer, Telangana State Pollution Control Board	January 25, 2017
KIMS Rajahmundry			
1	License under the Narcotic Drugs and Psychotropic Substances Act, 1985.	Deputy Director, Drugs Control Administration, Eluru W.G. District	December 17, 2016
KIMS Nellore			
1	No-objection certificate for occupancy from State Disaster Response and Fire Services Department, Andhra Pradesh with respect to the Main Building of the hospital.	Regional Fire Officer, Southern Region, Vijayawada, Andhra Pradesh	February 16, 2017

S No.	Description	Authority	Date
KIMS Ongole			
1	Application seeking consent order and authorisation under Air and Water Act, the Hazardous Waste(s) Rules and the Bio-Medical Waste Rules for a 350-bed hospital, in light of increase in capacity.	Environmental Engineer, Andhra Pradesh Pollution Control Board	January 30, 2017
KIMS Kondapur			
1	Application seeking authorisation to handle bio-medical waste for a 200-bed hospital, in light of increase in capacity.	Environmental Engineer, Regional Office – I, Ranga Reddy District, Begumpet, Hyderabad	January 28, 2017
2	Application seeking consent order under Air and Water Act and the Hazardous Waste(s) Rules for a 200-bed hospital, in light of increase in capacity.	Environmental Engineer, Regional Office – I, Ranga Reddy District, Begumpet, Hyderabad	February 28, 2017
3	No-objection certificate for occupancy from Fire Prevention Wing, Greater Hyderabad Municipal Corporation with respect to Block I of the hospital*.	Fire Prevention Wing, Greater Hyderabad Municipal Corporation	April 16, 2015

* *As KIMS Kondapur is being run on leased premises, the no-objection certificate for occupancy from the fire services department was previously issued in the name of one of the lessors, S Sunand. Upon its expiry, S Sunand filed a renewal application dated April 16, 2015 before the Fire Prevention Wing, Greater Hyderabad Municipal Corporation, which is currently pending.*

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- Our Board has authorised the Offer pursuant to its resolution dated January 24, 2017;
- The shareholders of our Company have authorised the Offer by a special resolution at the EGM held on March 21, 2017 and authorised the Board and the IPO Committee to take decisions in relation to the Offer.
- The Offer for Sale has been authorised by the Selling Shareholders as set forth in "*The Offer*" on page 64.
- The Board has taken on record the Offer for Sale pursuant to its resolution dated December 11, 2017.
- The Board has approved this Draft Red Herring Prospectus pursuant to its resolutions dated November 27, 2017 and December 11, 2017.
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

Prohibition by SEBI or other Authorities

We confirm that our Company, Promoters, members of our Promoter Group, natural persons in control of BRMH, our Corporate Promoter, Directors and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any authorities. Each Selling Shareholder confirms in respect of itself that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Except for Jyothi Prasad, none of our Directors are associated with the securities market in any manner, including with any securities market related business. No actions have been initiated by SEBI against our Directors or entities with which our Directors are involved in as promoters and/or directors.

Prohibition with respect to wilful defaulters

None of our Company, the Selling Shareholders, our Directors, our Promoters, relatives of our Promoters (as defined in the Companies Act, 2013), members of our Promoter Group, Subsidiaries or Group Companies have been identified as wilful defaulters as defined under the SEBI ICDR Regulations. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations, which states as follows:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on restated and consolidated basis during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same Fiscal Year in terms of issue size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding Fiscal Year; and
- Our Company did not change its name in the last one year.

Our Company's net worth, net tangible assets, monetary assets and average pre-tax operating profit derived from our Restated Standalone Financial Statements, as at and for the preceding five Fiscal Years are as stated below:

(In ₹ million, except percentage values)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net worth(1)	3,240.96	2,610.36	2,367.37	1,961.07	1,919.12*
Net tangible assets(2)	3,681.49	3,018.55	2,744.74	2,279.54	2,158.89
Monetary assets(3)	92.58	79.01	139.52	272.30	140.29
Monetary assets as a % of net tangible assets	2.51%	2.62%	5.08%	11.95%	6.50%
Pre-Tax Operating Profit (4)	786.94	691.12	409.61	389.02	395.84
Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2015, 2016 and 2017) out of the immediately preceding five years is ₹ 629.22 million.					

** includes shares to be issued pursuant to the scheme of arrangement*

(1) *'Net worth' is the aggregate of paid-up share capital, share premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.*

(2) *'Net tangible assets' is the aggregate of tangible fixed assets, capital work-in-progress, non-current investments, long-term and short-term loans and advances, trade receivables, inventories, cash and bank balances, other current and non-current assets (excluding deferred tax assets) less long-term and short-term borrowings, trade payables (excluding deferred tax liabilities), long-term and short-term provisions and other long-term and current liabilities. It excludes intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

(3) *'Monetary assets' is the aggregate of cash on hand and balance with banks (including the bank deposits and interest accrued thereon).*

(4) *Pre-tax operating profit is the aggregate of profit / (loss) before tax as restated, finance costs and reduced by other income.*

Our Company's net worth, net tangible assets, monetary assets and average pre-tax operating profit derived from our Restated Consolidated Financial Statements, as at and for the preceding five Fiscal Years are as stated below:

(In ₹ million, except percentage values)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net worth(1)	3,264.32	2,633.57	2,384.54	1,963.20	1,923.40*
Net tangible assets(2)	3,767.68	3,102.51	2,825.39	2,334.74	2,162.99
Monetary assets (3)	95.91	80.10	150.77	290.63	143.08
Monetary assets as a % of net tangible assets	2.55%	2.58%	5.34%	12.45%	6.61%
Pre-Tax Operating Profit (4)	806.77	721.46	436.89	377.17	393.22
Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2015, 2016 and 2017) out of the immediately preceding five years is ₹ 655.04 million.					

** includes shares to be issued pursuant to the scheme of arrangement*

(1) *'Net worth' is the aggregate of paid-up share capital, share premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.*

(2) *'Net tangible assets' is the aggregate of tangible fixed assets, capital work-in-progress, non-current investments, long-term and short-term loans and advances, trade receivables, inventories, cash and bank balances, other current and non-current assets (excluding deferred tax assets) less long-term and short-term borrowings, trade payables (excluding deferred tax liabilities), long-term and short-term provisions and other long-term and current liabilities. It excludes intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

(3) *'Monetary assets' is the aggregate of cash on hand and balance with banks (including the bank deposits and interest accrued thereon).*

(4) *Pre-tax operating profit is the aggregate of profit / (loss) before tax as restated, finance costs and reduced by other income.*

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be refunded. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company is in compliance with the conditions specified under Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, the entire requirement of funds towards objects of the Fresh Issue, other than working capital requirements, will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDERS WILL BE SEVERALLY AND NOT JOINTLY RESPONSIBLE ONLY FOR THE STATEMENTS EXPRESSLY MADE OR CONFIRMED BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND FOR THEIR RESPECTIVE PORTIONS OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 11, 2017, WHICH READS AS FOLLOWS:

WE, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND ICICI SECURITIES LIMITED, WHO HAVE BEEN APPOINTED BY THE COMPANY AND THE SELLING SHAREHOLDERS AS THE BOOK RUNNING LEAD MANAGERS TO MANAGE THE OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS DATED DECEMBER 11, 2017 ("DRHP") PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
   - **(A) THE DRHP FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

(B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – <u>NOT APPLICABLE</u>.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES**

MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT, AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALIZED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**
    - **(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
    - **(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – COMPLIED WITH AND NOTED FOR COMPLIANCE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH.**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. – COMPLIED WITH.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS, AS CERTIFIED BY B. NAGA BHUSHAN & CO., CHARTERED ACCOUNTANTS, PURSUANT TO ITS CERTIFICATE DATED DECEMBER 11, 2017.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). NOT APPLICABLE.**

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS, THE RED HERRING PROSPECTUS AND THE PROSPECTUS. THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT ABSOLVE THE SELLING SHAREHOLDERS FROM ANY LIABILITIES TO THE EXTENT OF THE STATEMENTS EXPRESSLY MADE OR CONFIRMED BY EACH OF THEM IN THIS DRAFT RED HERRING PROSPECTUS, IN RELATION TO ITSELF AS A SELLING SHAREHOLDER AND THE EQUITY SHARES OFFERED BY SUCH SELLING SHAREHOLDER THROUGH THE OFFER FOR SALE UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

A. Axis Capital Limited

1. Price information of past issues handled by Axis:

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	Khadim India Limited	5,430.57	750.00	14-Nov-17	730.00	-	-	-
2	The New India Assurance Company Limited	18,933.96	800[7]	13-Nov-17	750.00	-	-	-
3	Mahindra Logistics Limited	8,288.84	429[6]	10-Nov-17	429.00	-	-	-
4	Reliance Nippon Life Asset Management Limited	15,422.40	252	06-Nov-17	295.90	+3.61%[-3.19%]	-	-
5	General Insurance Corporation of India	111,758.43	912[5]	25-Oct-17	850.00	-12.92%,[+0.52%]	-	-
6	Indian Energy Exchange Limited	10,007.26	1650	23-Oct-17	1,500.00	-8.15%,[+1.39%]	-	-
7	Godrej Agrovet Limited	11,573.12[4]	460	16-Oct-17	615.60	+14.96%,[-0.43%]	-	-
8	SBI Life Insurance Company Limited	83,887.29	700[3]	03-Oct-17	735.00	-7.56%,[5.89%]	-	-
9	Capacit'e Infraprojects Limited	4,000	250	25-Sep-17	399.00	+36.30%,[+3.39%]	-	-
10	Matrimony.Com Limited	4,968.77	985[2]	21-Sep-17	985.00	-12.38%,[+0.62%]	-	-

Source: www.nseindia.com
[1]*Price for eligible employees was ₹ 543.00 per equity share*
[2] *Offer Price was ₹ 887.00 per equity share to Retail Individual Bidders and Eligible Employees*
[3] *Offer Price was ₹ 632.00 per equity share to Eligible Employees*
[4]*Company has undertaken a Pre-Ipo Placement aggregating to ₹84.88 Million. The size of the fresh issue as disclosed in the draft red herring prospectus dated July 18, 2017, being ₹3,000.00 Million, has been reduced accordingly.*
[5]*Offer Price was ₹ 855.00 per equity share to Retail Individual Bidders and Eligible Employees*
[6] *Offer Price was ₹ 387.00 per equity share to Eligible Employees*
[7]*Offer Price was ₹ 770.00 per equity share to Retail Individual Bidders and Eligible Employees*

Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY is considered as the Benchmark Index.
c. Price on NSE is considered for all of the above calculations.
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues handled by Axis:

Fiscal Year	Total no. of IPOs	Total amount of funds	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

		raised (₹ Mn.)	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%
2017-2018*	15	3,19,770.86	-	-	6	1	2	3	-	1	-	-	-	-
2016-2017	10	1,11,377.80	-	-	1	4	2	3	-	-	-	7	1	2
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. Edelweiss Financial Services Limited

1. Price information of past issues handled by Edelweiss:

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	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	Not applicable	Not applicable	Not Applicable
2	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	Not applicable	Not Applicable
3	Prataap Snacks Limited	4,815.98	938.00^	October 5, 2017	1,270.00	25.12% [5.70%]	Not applicable	Not applicable
4	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	Not applicable	Not applicable
5	Cochin Shipyard Limited	14,429.30	432.00^	August 11, 2017	440.15	30.14% [3.04%]	30.96% [6.10%]	Not applicable
6	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	127.92%; [5.84%]	128.86% [2.26%]	Not applicable
7	Tejas Networks Limited	7,766.88	257.00	June 27, 2017	257.00	28.04%; [5.35%]	17.82% [3.80%]	Not applicable
8	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	600.00	145.08%; [-0.20%]	166.35% [5.88%]	264.38% [11.31%]
9	BSE Limited	12,434.32	806.00	February 3, 2017	1,085.00	17.52%; [2.55%]	24.41%; [6.53%]	34.43% [15.72%]
10	Sheela Foam Limited	5,100.00	730.00	December 9, 2016	860.00	30.23%; [-0.31%]	48.39% [8.02%]	86.65% [16.65%]

Source: www.nseindia.com
^*Prataap Snacks Limited - Employee Discount of Rs. 90 per Equity Share to the Issue Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the issue price of Rs. 938 per equity share*
^ *Cochin Shipyard Limited - Discount of Rs.21 per equity share was offered to retail bidders & eligible employees. All calculations are based on the offer price of Rs. 432 per equity share*

Notes

1. *Based on date of listing.*

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. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the Benchmark Index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues handled by Edelweiss:

Fiscal 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%
2017-18*	7	1,91,633.93	-	-	-	1	3	2	-	-	-	-	-	-
2016 - 17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1
2015 - 16	7	56,157.83	-	-	3	-	2	2	-	-	4	-	1	2

**The information is as on the date of the document*
1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

For the financial year 2017-18 – 7 issues have been completed. However, 6 issues have completed 30 days and only 3 issues have completed 90 days yet.
For the financial year 2016-17 – 6 issues were completed and for the financial year 2015-16, 7 issues were completed. However, the disclosure under Table-1 is restricted to the latest 10 issues.

C. ICICI Securities Limited

1. Price information of past issues handled by I-SEC:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (In ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 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	HPL Electric & Power Limited	3,610.00	202.00	04-Oct-16	190.00	-14.75%, [-2.91%]	-51.19%, [-6.72%]	-37.77%, [+5.34%]
2	Sheela Foam Limited	5,100.00	730.00	09-Dec-16	860.00	+30.23%, [-0.31%]	+48.39%, [+8.02%]	+86.65%, [+16.65%]
3	Music Broadcast Limited	4,885.29	333.00	17-Mar-17	413.00	+4.58%, [-0.23%]	+4.19%, [+5.00%]	+18.74% [+10.19%]
4	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	+264.38%, [+11.31%]
5	Housing and Urban Development Corporation Limited	12,095.70	60.00(1)	19-May-17	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
6	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	-

7	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	-
8	Matrimony.Com Limited	4,974.79	985.00(2)	21-Sep-17	985.00	-12.28%, [+0.62%]	-	-
9	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	-	-
10	SBI Life Insurance Company Limited	83,887.29	700.00(3)	03-Oct-17	735.00	-7.56%, [+5.89%]	-	-

(1) Discount of Rs. 2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 60.00 per equity share.
(2) Discount of Rs. 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 985.00 per equity share.
(3) Discount of Rs. 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 700.00 per equity share.

Notes:

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.

2. Summary statement of price information of past issues handled by I-SEC:

Fiscal 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%
2017-18	6	184,888.11	-	-	3	1	-	2	-	-	-	-	**1**	-
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	Axis	http://www.axiscapital.co.in
2.	Edelweiss	http://www. edelweissfin.com
3.	ICICI	http://www.icicisecurities.com

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each Selling Shareholder, its respective directors, affiliates, associates and officers express no opinion and accept / undertake no responsibility for any statements, undertakings or disclosures made by the Company or any other person, including any other Selling Shareholder whether or not relating to the Company, their respective businesses, the Promoters or any financial information, other than those expressly made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered by such Selling Shareholder through the Offer for Sale. Anyone placing reliance on any other source of information, including our Company's website (www.kimshospitals.com) or the respective websites of any of our Promoters, Promoter Group, Subsidiaries, Group Companies or of any affiliate of our Company and the Selling Shareholders, would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent applicable to such Selling Shareholder) and the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for our Company, the Selling Shareholders, Promoters, members of our Promoter Group, Group Companies, Subsidiaries, or their respective 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, Selling Shareholders, Promoters, members of our Promoter Group, Group Companies, Subsidiaries or their respective directors, affiliates or associates, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, 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 permission from RBI), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders from the date thereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its 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 prior to its filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be Allotted in the Offer. The [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus, with or without interest, as applicable, in accordance with applicable law.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest the application money, failing which interest shall be paid to the Bidders for the delayed period in accordance with applicable law. Each of the Selling Shareholders, severally and not jointly, confirm that they shall provide such reasonable support, information and documentation in relation to themselves and extend reasonable cooperation as may be required by the Company to facilitate the process of listing the Equity Shares on the Stock Exchanges.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officers, the BRLMs, Auditors, legal counsels appointed for the Offer, bankers to our Company, lenders to our Company, Frost & Sullivan, our Statutory Auditors and the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Expert to the Offer

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

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Auditors namely B S R & Associates LLP, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports, both dated November 27, 2017, on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, and (b) report dated December 11, 2017 on the statement of tax benefits available to the Company and its shareholders, which have been included in this Draft Red Herring Prospectus.

Our Company has received written consent from B Naga Bhushan & Co., Chartered Accountants to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate of key performance indicators dated December 11, 2017.

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.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include fees payable to the BRLMs and legal counsel, underwriting commission, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses, listing fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Subject to applicable law, our Company and the Selling Shareholders shall bear the Offer-related costs and expenses in such manner as may be mutually agreed among them.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For details of the Offer related expenses, see "*Objects of the Offer*" on page 94.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer*" on page 94.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer shall be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post or speed post.

Public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed in the "*Capital Structure*" on page 76, our Company has not issued any specified securities for consideration otherwise than for cash.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue during the last ten years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply.

Performance vis-à-vis objects – Last issue of Group Companies, Subsidiaries or Associate Company

Neither our Subsidiaries nor our Group Companies or Associate Company have undertaken any public or rights issue in the ten years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Subsidiaries, Associate or our Group Companies.

Commission or brokerage on previous issues of Equity Shares

Since this is an initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since February 2003.

Previous capital issue during the previous three years by listed Group Companies and Subsidiaries/Associate Company

None of our Subsidiaries or Group Companies or Associate Company are listed on any stock exchange in India or overseas. Accordingly, the requirement to disclose details of previous issues by listed Group Companies or Subsidiaries or Associate Company does not apply.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as on the date of this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked. Investors may contact the BRLMs for any complaints pertaining to the Offer.

Further, the investor shall also enclose a copy of the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders Relationship Committee comprising Padmanabhaiah Jankiramiah Kantipudi as the chairman, Amitabha Guha and Anitha Dandamudi as members. For details, see "*Our Management*" on page 162.

Our Company has appointed Uma Shankar Mantha as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

D. No. 1-8-31/1, Minister's Road
Secunderabad – 3, Telangana 500 003, India
Telephone: +91 40 4418 6433
Facsimile: +91 40 2784 0980
E-mail: cs@kimshospitals.com

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints against our Company. Our Company has not received any investor complaints in the three years preceding the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Red Herring Prospectus, none of the companies under the same management as that of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Changes in Auditors

There have been no changes in the auditors of our Company during the last three years immediately preceding the date of this Draft Red Herring Prospectus.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the five years preceding the date of this Draft Red Herring Prospectus. For details of prior revaluation of assets, see "*History and Certain Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets*" on page 152.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice, the SEBI Listing Regulations and other terms and conditions as may be incorporated in other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Subject to applicable law, our Company and the Selling Shareholders shall bear the Offer-related costs and expenses in such manner as may be mutually agreed among them.

Ranking of the Equity Shares

The Equity Shares being offered and transferred in the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association, our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 456.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 192 and 456, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each and the Offer Price is ₹ [●] per Equity Share. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band, minimum Bid lot size for the Offer and Employee Discount, if any, will be decided by our Company and the Investor Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, respectively, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Investor Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 456.

Option to receive Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. The Equity Shares will be traded on the dematerialised segment of the Stock Exchanges.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See *"Offer Procedure – Part B – General Information Document for Investing in Public Issues - Allotment Procedure and Basis of Allotment"* on page 445.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 404.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer equivalent to the minimum number of securities as required to comply with Rule 19(2)(b) of the SCRR), including devolvement of Underwriters as applicable, within sixty (60) days from the date of Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the Equity Shares in the Offer for Sale.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the minimum Promoters' contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 76 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 456.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of 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.

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.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million, comprising of a Fresh Issue of up to [●] Equity Shares by our Company aggregating up to ₹ 500 million and an Offer for Sale up to 18,754,037 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, comprising an offer for sale of up to 13,772,631 Equity Shares aggregating up to ₹ [●] million by IAF, up to 1,268,534 Equity Shares aggregating up to ₹ [●] million by EIF, an offer for sale of up to 1,520,000 Equity Shares aggregating up to ₹ [●] million by Dr. Bhaskar Rao Bollineni, an offer for sale of up to 1,050,000 Equity Shares aggregating up to ₹ [●] million by Rajyasri Bollineni, an offer for sale of up to 300,000 Equity Shares aggregating up to ₹ [●] million by Seenaiah Bollineni, an offer for sale of up to 300,000 Equity Shares aggregating up to ₹ [●] million by Dr. Rajendra Kumar Premchand, an offer for sale of up to 242,872 Equity Shares aggregating up to ₹ [●] million by Sitaram Prasad Gogineni, an offer for sale of up to 160,000 Equity Shares aggregating up to ₹ [●] million by Dr. Manas Kumar Panigrahi, an offer for sale of up to 60,000 Equity Shares aggregating up to ₹ [●] million by Jayanthi Gavini, an offer for sale of up to 40,000 Equity Shares aggregating up to ₹ [●] million by Gavini Satyanarayana, an offer for sale of up to 20,000 Equity Shares aggregating up to ₹ [●] million by Dr. Pyar Ali Jiwani and an offer for sale of up to 20,000 Equity Shares aggregating up to ₹ [●] million by Dr. Garipalli Ravikanth. The Offer comprises the Net Offer and the Employee Reservation Portion. The Employee Reservation comprises of up to [●] Equity Shares aggregating up to ₹ [●] million. The Offer and the Net Offer constitutes [●]% and [●]% of the post-Offer paid up Equity Share capital of the Company, respectively. Our Company and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, offer a discount of ₹ [●] on the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment/allocation(2)	[●] Equity Shares.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Up to [●] Equity Shares aggregating up to ₹ [●] million.
Percentage of Offer size available for Allotment/allocation	50% of the Offer shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	[●] Equity Shares constituting approximately [●] % of the Offer.
Basis of Allotment	Proportionate as	Proportionate.	In the event, the Bids	Proportionate.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
if respective category is oversubscribed[(3)]	follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; 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 and the Investor Selling Shareholders, 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 at least one-third will be available for allocation to Mutual Funds only.		received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (**"Maximum RII Allottees"**). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid lot). In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw	

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
			of lots basis. For further details, see "*Offer Procedure*" on page [●].	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares such that the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount does not exceed ₹ 500,000.[(5)]
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Shares.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Shares.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion.	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Employee Reservation Portion.
Trading Lot	One Equity Share.			
Who can Apply[(3)]	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	Eligible Employees.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.			
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Anchor Investor Application Form by Anchor Investors [(4)]. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

[(1)] *Our Company and the Investor Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" beginning on page 406.*

[(2)] *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Investor Selling Shareholders 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 at least one-third will 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 Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Balance Equity Shares arising out of under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

[(3)] *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

[(4)] *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Application Form, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in date as mentioned in the CAN. In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*

[(5)] *Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount, if applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription (if any) in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated*

Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Bid/Offer Programme*

FOR ALL BIDDERS	**OFFER OPENS ON [●]**
FOR QIBs**	**OFFER CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	**OFFER CLOSES ON [●]**

**Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.*

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company and Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Investor Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time ("**IST**")) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Offer Closing Date:

  (a) in case of Bids by Non-Institutional Bidders and Eligible Employees, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

  (b) in case of Bids by Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Investor Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 issued by SEBI ("**General Information Document**") included below under the sub-section titled "– Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect various enactments and regulations as well as amendments to existing regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Investor Selling Shareholders 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 at least one-third will 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 Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs subject to valid Bids being received at or above the Offer Price. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. Further, up to [●] Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price.

In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount, if applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

The Equity Shares, upon listing, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Offered 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 accounts, including DP ID, Client ID and PAN, shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

All Bidders (other than Anchor Investors) are required to mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered and Corporate Office. Electronic copies of the ASBA Forms will also be available for download on the websites of the Stock Exchanges, namely, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall ensure that their Bids are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Bidding centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis **	White
Non-Residents including Eligible NRIs, FVCIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis **	Blue
Anchor Investors***	[●]
Eligible Employees applying under the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms.*

** *Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).*

*** *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

Designated Intermediaries (other than SCSBs) shall submit/ deliver ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled "– *Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 424, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares;
- Eligible Employees; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than mutual funds sponsored by entities related to the BRLMs), the Syndicate Members, our Promoters, Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of ASBA Forms from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorised by the RBI under the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations,

2000. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their NRE or FCNR accounts for the full Bid Amount, while Eligible NRIs Bidding on a non-repatriation basis should authorise their SCSB to block their NRO accounts for the full Bid Amount.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form for non-residents, while Eligible NRIs Bidding on a non-repatriation basis are advised to use the ASBA Form for residents.

Bids by FPIs

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") pursuant to which the existing classes of portfolio investors, namely, Foreign Institutional Investors and Qualified Foreign Investors were subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. For calculating the aggregate holding of FPIs in our company, holding of all registered FPIs shall be included. In terms of the above-mentioned provisions of the FEMA Regulations, the existing individual and aggregate investment limits for FPIs in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("**ODIs**"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments in our Company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of ODIs is made by, or on behalf of it subject to the following conditions:

(a) such ODIs are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the ODIs are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, SEBI FVCI Regulations and the SEBI AIF Regulations, *inter alia*, prescribe the investment restrictions on VCFs, FVCIs and AIFs registered with SEBI.

Accordingly, the holding in any company by any individual VCF or FVCI 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 initial public offerings.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme or increase the targeted corpus of the fund or scheme after the notification of the SEBI AIF Regulations.

All Non-Resident Bidders including Eligible NRIs and FVCIs 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 / or commission. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation. Our Company or the BRLMs will not be responsible for loss, if any, incurred by any Bidder on account of conversion of foreign currency.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs, category II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing of a draft offer document with SEBI.

Bids by Eligible Employees

Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

- The sole/ First Bidder shall be an Eligible Employee. In case of joint bids, the First Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid cum Application Form ([●] in colour) or Revision Form.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under the Employee Reservation Portion.
- Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-Off Price.
- Such Bidders can place their Bids by only using the ASBA process.
- Such Bidders must ensure that the Bid Amount does not exceed ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount, if applicable).
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- The Eligible Employee who Bid in the Employee Reservation Portion can also Bid in the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion for up to ₹ 500,000, can also Bid in the Net Offer and such Bids will not be treated as

multiple Bids. The Selling Shareholder and our Company, in consultation with the BRLMs reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see "*Offer Procedure – Multiple Bids*" on page 431.

- The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.
- Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN as well as employee number in the relevant space in the Bid-cum-Application Form.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 445.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 are broadly set forth below:

(i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (i), (ii) or (iii) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

** The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

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, the Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company and the Investor Selling Shareholders, in consultation with the BRLMs will 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:

(a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

(b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

(c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) The BRLMs, our Promoters, members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMs) will not participate in the Anchor Investor

Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see *"Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment – Allotment to Anchor Investors"* on page 446.

Payment by Anchor Investors into the Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) for payment of their Bid Amounts in the Escrow Account in favour of:

(i) In case of resident Anchor Investors: [●]

(ii) In case of non-resident Anchor Investors: [●]

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from Anchor Investors.

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 and the Selling Shareholders reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the 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 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. A banking company may hold up to 30% of the paid up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA Bids.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), Systemically Important Non-Banking Financial Companies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company, in consultation with the BRLMs, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that the Company and the BRLMs deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Pursuant to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, respectively. In the pre- Offer advertisement, we shall state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

The above information is given for the benefit of Bidders. Our Company and the Selling Shareholders, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits or maximum number of the Equity Shares that can be held by them under laws or regulations. OCBs cannot participate in the Offer.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled "– *Part B – General Information Document for Investing in Public Issues*" on page 422, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the TRS 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 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 TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

2. 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, the Selling Shareholders 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 Selling Shareholders, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus

or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 (for Retail Individual Bidders) or ₹ 500,000 (for Eligible Employees Bidding in the Employee Reservation Portion) if such Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Portion, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price. If, however, the Retail Individual Bidder or Eligible Employee does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Offered Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder or Eligible Employee and the Retail Individual Bidder or Eligible Employee is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Bidders or Eligible Employees who have bid at the Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

In addition to the information provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Interest and Refunds*" on page 448.

Signing of the Underwriting Agreement and the RoC Filing

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues*" on page 422, Bidders are requested to note the additional instructions provided below.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that 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.
6. With respect to the ASBA Bids, ensure that the ASBA Form is signed by the account holder in case the applicant is not the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
9. Ensure that you request for and receive a stamped Acknowledgement Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process for any other purpose;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. 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;
17. Ensure that you tick the correct investor category and the investor status, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that for Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID and PAN available in the Depository database;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).
23. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and
24. In relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stockinvest;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Anchor Investors should not Bid through the ASBA process;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and ₹ 500,000 for bids by Eligible Employees under the Employee Reservation Portion;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
11. Do not submit the General Index Registration (**"GIR"**) number instead of the PAN;
12. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
16. If you are a Non-Institutional Bidder or Retail Individual Bidder or an Eligible Employee bidding under the Employee Reservation Portion, do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;
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 withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
19. Do not submit more than five ASBA Forms per ASBA Account;
20. Do not submit ASBA Bids to a Designated Intermediary at a location other than the Bidding Centres;
21. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filling the Bid cum Application Form/ Application Form*" on page 425, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. ASBA Bids must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in

ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs or FPIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/Offer Closing Date or such other period as may be prescribed.

(b) Equity Shares will be Allotted only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 442, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;

2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as given in the sub-section titled " – *Who can Bid?*" on page 407;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. With respect to ASBA Bids, the ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion (if any) with Bid Amount for a value of more than ₹ 200,000 or ₹ 500,000, respectively;

11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

12. Bids by Bidders (who are not Anchor Investors) accompanied by cheques or demand drafts;

13. Bids accompanied by stockinvest, money order, postal order or cash;

14. Bids by persons who are not Eligible Employees and have submitted Bids under the Employee Reservation Portion;

15. Bids by Eligible Employees who do not mention their employee number in the Bid-cum-Application Form;

16. Bids by persons in the United States; and

17. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 15, 2011 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated November 17, 2016 among CDSL, the Company and Registrar to the Offer.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if the Company and/or any of the Selling Shareholders does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- That funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;

- That if our Company and/or the Selling Shareholders withdraw the entire or portion of the Offer after the Bid/Offer Closing Date, our Company shall be required to file an updated offer document or a fresh offer document with the RoC/ SEBI, as the case may be, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer;

- That it shall not have recourse to the Net Proceeds until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;

- That the complaints received in respect of the Offer shall be attended to by the Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI;

- if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders as per applicable laws;

- That 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 the amount and expected date of electronic credit of refund;

- That the certificates of the securities or refund orders to Eligible NRIs shall be despatched within specified time;

- That except for the Fresh Issue, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

- That adequate arrangement shall be made to collect all Bid cum Application Forms; and

- That we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

UNDERTAKINGS BY THE PROMOTER SELLING SHAREHOLDERS

Each Promoter Selling Shareholder, severally and not jointly, undertakes the following:

- That it is the legal and beneficial owner of its respective portion of the Offered Shares;

- That its respective portion of the Offered Shares (a) have been held by it for a minimum period in compliance with in Regulation 26(6) of the SEBI ICDR Regulations; and (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialised form at the time of transfer;

- That it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;

- That it shall extend all reasonable cooperation as requested by the Company in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Equity Shares offered by them pursuant to the Offer;

- That it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- That it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law; and

- That it has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares and it shall extend reasonable cooperation to our Company and BRLMs in the regard.

UNDERTAKINGS BY THE INVESTOR SELLING SHAREHOLDERS

Each Investor Selling Shareholder, severally and not jointly, undertakes the following:

- That it is the legal and beneficial owner of its respective portion of the Offered Shares;

- That its respective portion of the Offered Shares (a) have been held by it for a minimum period in compliance with in Regulation 26(6) of the SEBI ICDR Regulations; and (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialised form at the time of transfer;

- That it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;

- That it shall authorise relevant intermediaries to ensure completion of the Offer as required in connection with the sale and transfer of its respective portion of the Offered Shares within the timelines specified under applicable law;

- That it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law; and

- That it has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares and it shall extend reasonable cooperation to our Company and BRLMs in the regard.

Utilisation of Offer proceeds

The Company and the Selling Shareholders specifically confirm and declare that all monies received out of this Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the abridged prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue").** An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and abridged prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of Stock Exchange(s).

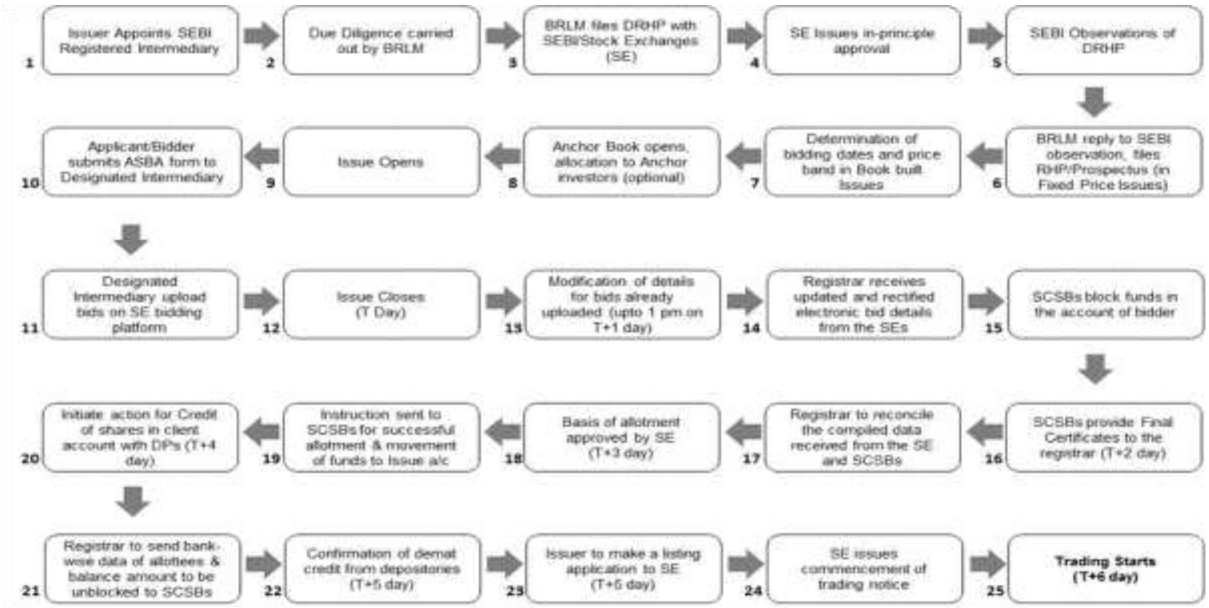
In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7: Determination of Issue Date and Price
  (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta.* The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta"*. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- Scientific and/or research organisations authorised in India to invest in the Equity Shares;
- FPIs (other than Category III FPIs) bidding under the QIBs category;
- Category III FPIs bidding under the Non-Institutional Bidders category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (*i.e.*, in case of Anchor Investors, the Anchor Investor Application Form, and in case of Bidders other than Anchor Investors, the ASBA Forms) either bearing the stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Bid cum Application Form, bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs and FPIs	Blue
Anchor Investors (where applicable)	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No................

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - MF
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VCF
- Alternative Investment Funds - AIF
- Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ....

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ....

Bank & Branch ....

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)______

7. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch		Stamp & Signature of SCSB Branch
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ________

Bank & Branch ________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer and the Designated Intermediaries only for correspondence(s) related to the Offer and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders

(d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer and the Selling Shareholders on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the

Anchor Investor Bidding Date and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Anchor Investor Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Anchor Investor Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(ii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Upto 60% of the QIB Category can be allocated by the Issuer and the Selling Shareholders, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in the Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked on the basis of the authorization in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked accordingly for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) are required to Bid through the ASBA process.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a BRLM.

(b) Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT.

(c) The Escrow Collection Bank shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

(i) in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(iii) in physical mode to any Designated Intermediary.

(b) ASBA Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at a Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) ASBA Bidders bidding through a Designated Intermediary other than an SCSB should note that the ASBA Forms submitted to the Designated Intermediary may not be accepted by the Designated Intermediary, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit Bid cum Application Forms.

(h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the

Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the relevant Designated Intermediary for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

(i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.

(ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

(iii) In case of queries relating to uploading of Bids by a Designated Intermediary other than an SCSB, the Bidders/Applicants should contact the relevant Designated Intermediary.

(iv) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLMs in case of any other complaints in relation to the Offer.

(d) The following details (as applicable) should be quoted while making any queries –

(i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.

(ii) name and address of the Designated Intermediary where the Bid was submitted; and

(iii) The ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

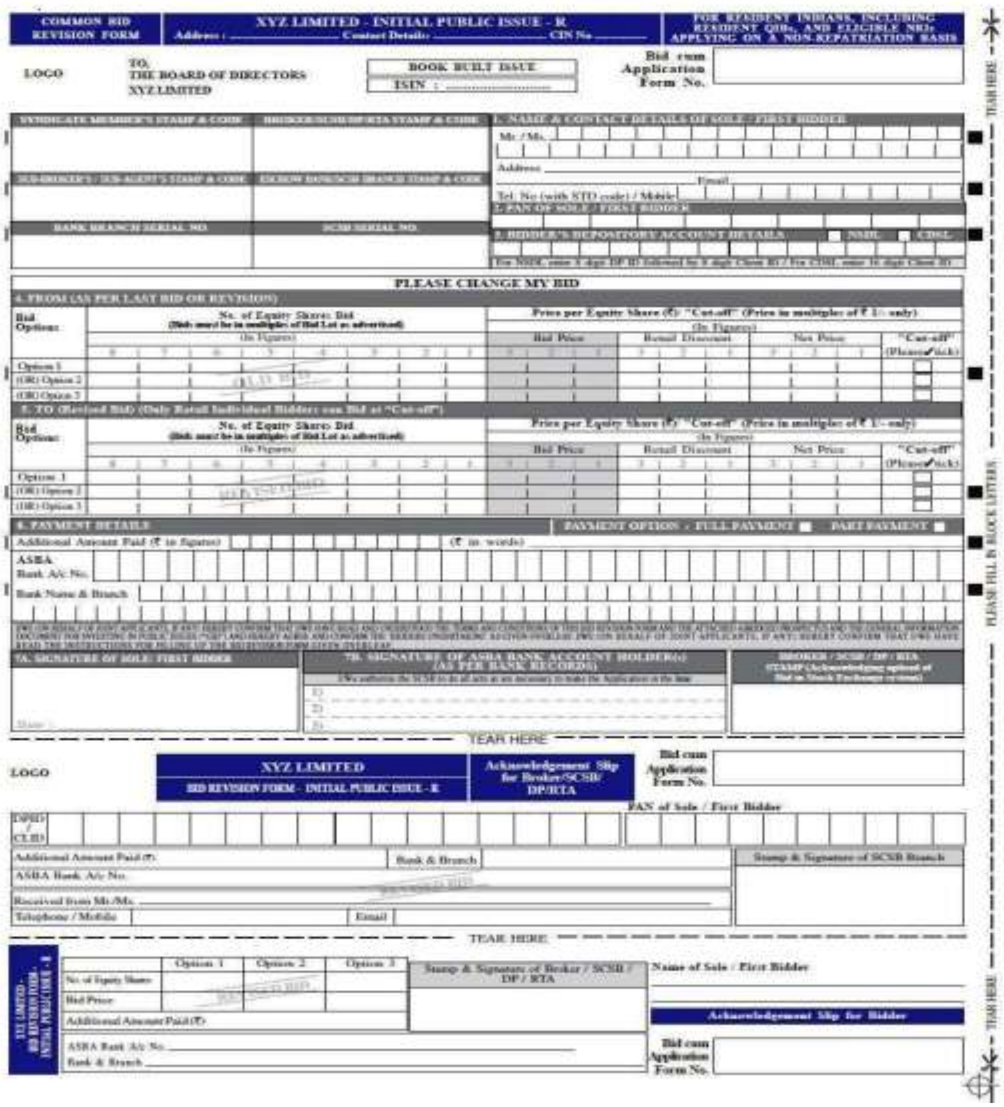
(a) During the Bid/ Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise or withdraw their bids till closure of the bidding period.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

5. TO (Revised Bid) (Only Retail Individual Bidder can Bid at "Cut-off")

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

TEAR HERE

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

TEAR HERE

Acknowledgement Slip for Bidder

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT,**

PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked after finalisation of the basis of allotment.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked in the ASBA Accounts. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of bidding may be unblocked after finalisation of the basis of allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the Lead Managers to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

(i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

(ii) For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(ii) Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in the Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue.

(b) Application Amount cannot be paid through cheques and demand drafts or in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2.1 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may authorise blocking of an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Application by Anchor Investors	To the Book Running Lead Managers at the locations specified in the Anchor Investor Application Form
Applications by other Bidders	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres, or the RTA at the Designated RTA Location or the DP at the Designated CDP Locations. (b) To the Designated branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/ Issue Period, Bidders/Applicants may approach the Designated Intermediaries to submit and register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers to register their Bids.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediaries may register the Bids using the on-line 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/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus and 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 up to one day after the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until the Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of the basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

(i) the Bids accepted by the Designated Intermediaries,

(ii) the Bids uploaded by the Designated Intermediaries, or

(iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Applications accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;

(b) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

(m) Bids/Applications at Cut-off Price by NIIs and QIBs;

(n) The amounts mentioned in the Bid cum Application Form/Application Form do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(p) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(q) Bids not uploaded in the Stock Exchanges bidding system

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the bank account;

(v) Where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by Bidders (other than Anchor Investors) that are not submitted through ASBA process;

(x) ASBA Bids/Applications submitted to a Designated Intermediary at locations other than the Bidding Centres, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in the Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except for the QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through a Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date.

In a fixed price Issue, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer, in consultation with the BRLMs, subject to compliance with the following requirements:

(i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Anchor Investor Issue Price is higher than the Anchor Investor Allocation Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Anchor Investor Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN.

Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Anchor Investor Issue Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with the Depositories, and dispatch the Allotment Advice within six Working Days of the Bid/ Offer Closing Date.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all subscription amounts received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Selling Shareholders, the Registrar to the Issue, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

(d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic modes of making refunds to Anchor Investors

The payment of refund to Anchor Investors, if any, may be done through various modes as mentioned below:

(a) **NACH—**Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink

Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT—** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor’s bank is NEFT enabled and has been assigned the Indian Financial System Code **("IFSC"),** which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit—** Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

(d) **RTGS—** Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc., Anchor Investors may refer to RHP/Prospectus.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted by the Anchor Investor to the Escrow Collection Bank.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Draft Red Herring Prospectus, the description as ascribed to such term in the Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges

Term	Description
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Allotment in terms of the Red Herring Prospectus and Prospectus.
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue / Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bidding Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid / Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant

Term	Description
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Book Running Lead Managers/ BRLMs/ Book Running Lead Managers/ Lead Managers/ LMs	The Book Running Lead Managers/ Book Running Lead Managers to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Managers should be construed to mean the Lead Managers or LMs
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	Note or intimation of allocation of Equity Shares sent to each Anchor Investor who has been allocated Equity Shares after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Category III FPI	FPIs who are registered as "Category III foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as the context requires.
Cut-off Price	Issue Price, finalised by the Issuer, in consultation with the Book Running Lead Managers, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (other than Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account in terms of the Red Herring Prospectus or the amounts blocked by the SCSBs are transferred from the ASBA Accounts of successful Allottees to the Public Issue Account, following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.
Designated Intermediaries	The Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with

Term	Description
	the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Managers, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Managers.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House, a consolidated system of ECS.
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including Category III FPIs, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FVCIs registered with SEBI and FPIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA

Term	Description
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer, in consultation with the Book Running Lead Managers
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer, in consultation with the Book Running Lead Managers and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer, in consultation with the Book Running Lead Managers, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	A bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate.
Registrar to the Issue /RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange

Term	Description
	Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Managers and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Managers and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Working Day" means all days, other than the second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/ Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of our Articles of Association relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/ or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles of Association and capitalized/defined terms herein have the same meaning as given to them in our Articles of Association.

The Articles of Association comprise two parts, Part A and Part B, which parts shall unless the context otherwise requires, co-exist with each other. In the event of any inconsistency or conflict between the Articles set out in Part A and the Articles set out in Part B, the provisions of the Articles set out in Part B shall prevail. However, Part B shall automatically terminate, be deleted, cease to have any force or effect and be deemed to be removed from the Articles of Association upon the commencement of listing and trading of the Equity Shares of the Company on any recognised stock exchange in India, without any further corporate or other action by the Company or its shareholders.

PART A

Article		Particulars
		SHARE CAPITAL
4.	Share Capital	The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum with power to increase or reduce the capital and divide the shares in capital of the Company for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these present and modify or abrogate any such rights, privileges or conditions in such manner as may be permitted for the time being by the Act.
5.	Alteration of Share Capital	The Company shall have the power to amend and alter the share capital of the Company in accordance with the provisions of the Act (including any increase or decrease thereof).
6.	Minimum Paid-Up Capital	The paid up capital of the Company shall be minimum of Rs. 5,00,000/- (Rupees Five Lac only).
7.	Preference Shares	The Company shall have power to issue preference shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or out of security premium account of the Company or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it thinks fit and also classify and determine the terms and conditions of such preference shares, including without limitation the coupon rate, premium on issue and redemption, conversion terms, accumulation of dividend.
8.	Redemption of Preference Shares	If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares, may by resolution of the Board be applied only in paying up in full or in part any new securities then remaining unissued to be issued to such Members of the Company as the Board may resolve up to an amount equal to the nominal amount of the securities so issued.
9.	Debentures	The Company shall have the power to issue optionally convertible/convertible/ non-convertible debentures subject to the provisions of the Act and other applicable law. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.
10.	Sweat Equity	Subject to the provisions of the Act, the Company may issue sweat equity shares of a

Article		Particulars
		class of shares already issued. Subject to the provisions of the Act, the Company may, if so deemed fit, issue such sweat equity shares at a discount.
11.	Alteration of Capital	Subject to the provisions of the Act, the Company in a general meeting, may by ordinary resolution from time to time: (a) increase its authorised share capital by such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved in the manner specified in the Act; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
12.	Further issue of capital	Subject to the provisions of the Act: (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of the increased share capital, such shares shall be offered: (i) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:— (A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; (B) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 12(a)(i)(A) shall contain a statement of this right; (C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company; (ii) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Applicable Law; or (iii) to any persons whether or not those persons include the persons referred to in Article 12(a)(i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act.

Article		Particulars
		(b) Nothing in Article 12(a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.
13.	Bonus Issue of Shares	Subject to the provisions of the Act or any other applicable law for the time being in force, the Company may issue bonus shares to its Members (including by way of capitalization of profits, reserves, etc. for the purpose of issuing fully-paid up shares) in any manner as the Board may deem fit.
14.	Commission	Notwithstanding anything contained in Table F, but subject to the provisions of the Act, the Company may, at any time, pay a commission to any person, in connection with subscription or procurement of subscription to its securities (whether absolute or conditional), but so that the commission shall not exceed any amount prescribed under the Act. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures or partly in one way and partly in the other. The Company may also pay on any issue of shares, debentures or debenture stock such brokerage as may be lawful and reasonable.
15.	Shares Under Control of Board	Subject to the provisions of the Act as applicable to the Company and subject to the provisions of these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportions and on such terms and conditions and with such right preferential or otherwise as to dividends or as to repayment of capital or such other rights and either at a premium or at par, or subject to compliance with Section 54 of the Act at a discount, and at such time as they from time to time think fit and with the sanction of the Company in general meeting to give to any person the right or option of any shares either at par or at premium during such time and for such consideration as the Board think fit, and the Board may also issue and allot shares in the capital of the Company in payment or part payment of any property sold or transferred or for services rendered to the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up and, if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.
16.	Buy Back of Shares	Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities subject to the provisions of the Act and other applicable provisions of law.
17.	Equity Shares with Differential Rights	The Company may issue equity shares with differential rights as to dividend, voting or otherwise in accordance with the provisions of the Act including the Companies (Share and Debenture) Rules, 2014.
18.	Variation of rights of Members	Regulations 6(i) and 6(ii) of Table F shall apply to the Company as regards variations of rights of Members.
19.	Lien	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sales thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses or interest and premium from time to time declared or payable in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. Fully paid up shares/debentures shall be free from lien.
20.	Calls on Shares	Regulation 13 of Table F shall apply to this Company, provided that:
	No restriction on amount that can be called	(i) there shall be no restriction on the amount that can be called by the Board;

Article		Particulars
	No restriction time intervals between calls	(ii) there shall be no restriction on the intervals between any two or more call made by the Board;
		and under each of the above circumstances the remaining provisions contained in Table F shall apply accordingly.
21.	When interest on call or instalment payable	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 12% (twelve percent) per annum or at such lower rate, if any, as the Board may determine.
22.	Evidence in action for call	On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the Member sued or the terms and conditions provided to the Member at the time of issuance or allotment of shares in relation to any fixed dates and / or quantum of amount called, in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the meeting of the Board at which any call was made nor any other matters whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.
23.	Partial payment not to preclude for forfeiture	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.
24.	Members not entitled to privileges of membership until all calls paid	In addition to provisions of Table F, no Member shall be entitled to receive any dividend or to exercise any privilege as a Member (including exercise any voting rights) until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person together with interest and expenses, if any. The Company shall use any of the electronic modes of payment facility approved by the RBI for payment of such dividends thereof and such dividends shall be declared and disclosed on per share basis only.
25.	Payment of calls in advance	The Board may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof, as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, not exceeding, unless the Company in a general meeting shall otherwise direct, 12% (twelve percent) per annum, as the Member paying such sum in advance and the Board agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights or dividends in respect of the moneys so paid by them until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.
26.	Payment of Dividends on party paid shares	The Company may, if Board deems fit, elect to pay dividends in respect of any partly-paid shares in proportion to the amount paid-up on any such shares.
27.	Payment of Dividends on Forfeited Shares	Any forfeiture of shares in accordance with the Act and Table F shall deem to include forfeiture of all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
28.	Forfeited shares to become property of the Company	Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot and otherwise dispose of the same in such manner as it thinks fit.
29.	Power to annul forfeiture	The Board may, at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.
30.	Arrears to be paid notwithstanding forfeiture	Any Member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls,

Article		Particulars
		instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment at the rate of 12% (twelve per cent) per annum and the Board may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do.
31.	Power to Forfeit for Other Reasons	The Company may forfeit the shares for any other reason or purpose as may be agreed between the Company and such person who is concerned with the shares sought to be forfeited either under any agreement or pursuant to any condition of allotment.
32.	Effect of forfeiture	The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these presents are expressly saved.
33.	Board may Issue new Certificates	Where any shares under the powers in that behalf herein contained are sold by the Board after forfeiture or for enforcing a lien and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue a new certificate of such shares distinguishing it in such manner as it may think fit from the certificate not so delivered.
34.	Authority to dematerialize the securities	Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as "**securities**") in dematerialized form under the provisions of the Depositories Act and may offer the securities of the Company for subscription/ allotment in dematerialized form in the manner provided by the Depositories Act.
35.	Option to hold securities in certificates or with Depository	When any securities of the Company are held or dealt in dematerialized form – (a) Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a Depository.
	Beneficial owner may opt out of a Depository	(b) Every person holding securities of the Company with Depository, being the Beneficial Owner thereof, may at any time opt out of the Depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfillment of the conditions and payment of fees prescribed under the said Depositories Act, the Company shall rematerialize the relevant securities and issue to the Beneficial Owner thereof the requisite certificates of such securities.
	Securities with Depository to be dematerialised	(c) All securities held with a Depository shall be dematerialised and the Depository shall hold the same for the Beneficial Owners thereof in a fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
	Beneficial Owner is Member	(d) Every person holding securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a Depository.
	Applicability to joint holders	(e) In respect of shares or other securities of the Company held in dematerialised form, the provisions relating to joint holder shall mutatis mutandis apply to the joint Beneficial Owners.
		(f) A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of Beneficial Owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The Beneficial Owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to all rights including voting rights and benefits in respect of the securities held by him with the Depository.
	Intimation to Depository	(g) The Company shall make available to the Depository, copies of the relevant records in respect of securities held by such Depository for the Beneficial Owner thereof.

Article			Particulars
			When a holder or an allottee of securities opts to hold the same with Depository, the Company shall intimate such Depository the details of such holdings or allotment of securities and thereupon the Depository shall enter in its record the names of the holders/ allottees as the Beneficial Owners of such securities.
	Register and Index of Beneficial Owners	(h)	The Register and Index of Beneficial Owners of securities maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be and forming part of the Register and Index of Members or of holders of securities of the Company.
	Transfer of securities held in a Depository	(i)	Transfers of securities held in a Depository will be governed by the provisions of the Depositories Act. Every Depository shall furnish to the Company information about the transfer of securities, the name of Beneficial Owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act. Section 56 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.
	Service of Documents	(j)	Notwithstanding anything contrary contained in these Articles, when securities are held in Depository, the records of the beneficial ownership may be served by such Depositories on the Company by means of electronic mode or by deliveries of floppies or discs.
	Allotment of Securities dealt with in a Depository	(k)	Notwithstanding anything contrary contained in these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
	Distinctive numbers of Securities held in a Depository	(l)	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.
36.	Issue of Share Certificates (where shares are not in dematerialised form)	(a)	Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board so determines) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 15 days of the receipt of application of registration of transfer or transmissions requests for securities held in dematerialized mode and physical mode must be processed within seven days and twenty one days respectively after receipt of the specified documents. Every certificate of shares shall be under the common seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate; and delivery of a certificate of shares to one or several joint-holders shall be a sufficient delivery to all such holders.
		(b)	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender of the relevant share certificates to the Company, new certificates may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs.50 (Rupees Fifty) for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares. Notwithstanding the foregoing provisions of this Article 36(b), the Board shall

Article		Particulars
		comply with applicable law including the rules or regulations or requirements of any stock exchange, the rules made under the Act and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force. The provisions of this Article 36(b) shall mutatis mutandis apply to debentures of the Company.
		The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.
37.	Nomination	Notwithstanding anything stated in these Articles, a holder or joint holders of shares/debentures may nominate, in accordance with the provisions of Section 72 of the Act and in the manner prescribed thereunder, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of such holder/s. Any nomination so made shall be dealt with by the Company in accordance with the provisions of Sections 56 and 72 of the Act.
38.	Foreign Register	The Company may if so required maintain a part of its Register, register of debenture holders and / or register of any other security holders outside India (such part of the relevant register shall be called the "**Foreign Register**") and such Foreign Register shall contain the names and particulars of the Members, debenture holders other security holders or Beneficial Owners (as the case may be) residing outside India.
39.	Transfer of shares	Subject to the provisions of Sections 58 and 59 of the Act, Article 35 hereof and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within thirty days from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reason for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Further provided that a common form of transfer shall be used, the instrument of transfer shall be in writing and all the provisions of the Act for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The securities held by any Member in the Company shall be freely transferable; provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.
40.	To accept surrender of shares	Subject to the provisions of the Act, the Company may accept from any Member, on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof.
41.	No fee for registration for transfer etc.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or similar other instrument.
42.	Postal Ballot	Subject to the provisions of the Act, the Company may, if it decides or where the Company is required under the Act, adopt the mode of postal ballot for obtaining the approval of the Members in accordance with the provisions of the applicable law.
43.	Maximum and Minimum number of Directors	The number of Directors shall not be less than three and shall not be more than fifteen, excluding nominee Directors appointed by any Financial Institutions or any other Institutions or Banks. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution.
44.	Directors	The first Directors of the Company shall be :- 1. Dr. B. Bhaskar Rao 2. Sri B. Krishnaiah 3. Dr. M. Sambasiva Rao 4. Dr. S. Saharaiah
45.	Alternate Director	(a) The Board may appoint an alternate Director to act for a Director (hereinafter called the "**Original Director**") during his absence for a period of not less than

Article		Particulars
		three months, from India.
		(b) An alternate Director appointed under Article 45(a) above shall vacate office if and when the Original Director returns to India.
		(c) If the terms of office of the Original Director is determined before he returns to India, any provisions for the automative reappointment of retiring Directors in default of another appointment, shall apply to the Original and not the Alternate Director.
46.	Qualification Shares	A Director shall not be required to hold any qualification shares.
47.	Fees for Attending Meeting	The fee payable to Directors (other than managing or whole-time Director, if any) for attending each meeting of the Board or committee thereof shall be such sum as may be determined by the Board but not exceeding the sum as may be prescribed by the Act or the Central Government from time to time. The Directors shall also be entitled to be paid, as the Board may from time to time determine, the reasonable traveling, hotel and other expenses incurred for attending the meetings of the Board or Committee thereof.
48.		Subject to the provisions of the Act (including any ceiling or restriction contained therein), if any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going out of his usual place of residence or otherwise for the purposes of the Company, the Company may remunerate such Director by a fixed sum or by a percentage of profits or otherwise as may be determined by the Board.
49.	Appointment & Retirement	At the first annual general meeting of the Company all the Directors save and except the Directors who are not liable to retire by rotation shall retire from office and at the annual general meeting in every subsequent year, one-third of such Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to the one-third, shall retire from office. The Directors to retire in every year shall be those who have been longest in the office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. So long as India Advantage Fund S3 I ("IAF") & Emerging India Fund ("EIF") continues together with the I-VEN Affiliates continue to hold at least 10% of the Equity Shares in the Company on a Fully Diluted Basis, IAF shall be entitled to nominate and appoint 1 (one) non-retiring, non-rotational and non-executive Director to the Board of Directors. Provided that this right shall be subject to the approval by the shareholders of the Company by a special resolution, subsequent to consummation of the initial public offering. A retiring Director shall be eligible for re-appointment. The Company at the meeting at which a Director retires in manner aforesaid, may fill the vacated office by appointing a person thereto, and in default the retiring Director shall, if offering himself for re-appointment, be deemed to have been re-appointed, unless at such meeting, it is expressly resolved not to fill such vacated office or unless a resolution for the re-appointment of such Director shall have been put to the meeting and lost.
50.	Vacation of the office of a Director	In addition to the circumstances enumerated in the Act, as applicable to this Company, the office of a Director shall be vacated if he resigns by notice in writing to the Company.
51.	Power to appoint Managing Director/ Executive Director	(a) Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be managing Director/ executive Director or managing Directors/ executive Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office, appoint another or others in his place or their places. Without prejudice to the foregoing, any person appointed as a chairperson of the Company may also be appointed as

Article		Particulars
		the managing Director or Chief Executive Officer of the Company at the same time as his appointment as the chairperson of the Company.
	To what provisions Managing Director shall be subjected	(b) Subject to the provisions of the Act, a managing Director/ executive Director shall, while he continues to hold that office, be subject to retirement by rotation and subject to the provisions of any contract between him and the Company, he shall be subject to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of a Director, he shall, ipso facto and immediately cease to be a Managing Director for any cause.
	Remuneration of Managing Director/ Executive Director	(c) Subject to the provisions of the Act, a Director (including any managing Director/ executive Director) shall receive such remunerations as may, from time to time be sanctioned by the Company.
	Power to Managing Director/ Executive Director	(d) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Sections 179 and 180 of the Act, the Board may, from time to time, entrust to and confer upon a managing Director/ executive Director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time and be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit and the Board may confer such powers, either collaterally, with, or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
	Manager	(e) Subject to Sections 196 and 197 of the Act, any individual person may be appointed as manager of the Company by the Board on such terms, at such remuneration and upon such conditions as it may think fit and any manager appointed may be removed or dismissed and any other person may be appointed in his place by the Board.
		(f) A Director may be appointed as manager subject to provisions of Sections 166, 188, 196 and 197 of the Act.
52.	Power of Board	The management of the business of the Company shall be vested in the Board and the Board shall have all the powers and be entitled to take all such acts and do all such things as has been prescribed under the Act, or as the Company is by its Memorandum of Association, these Articles or otherwise authorised to do and are not hereby or by any statute directed or required to be exercised or done by the Company in a general meeting, but such exercise of the power shall be nevertheless subject to the provisions of the Act and of the Memorandum of Association, these Articles and to any regulations not being inconsistent with the Memorandum of Association and these Articles from time to time made by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
53.	To appoint Committee and to delegate power and revoke it	The Board may, subject to compliance with the provisions of the Act from time to time, delegate any of its powers to committees consisting of such Member or Members of their body and / or officials/ employees of the Company/ its holding and/ or subsidiary Company (ies) as it thinks fit and may from time to time revoke such delegation ("**Committee**"). Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. The meeting and proceedings of any such Committee(s), if consisting of two or more Member(s) / official (s)/ employee(s) of the Company/ its holding and/ or subsidiary companies shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulation made by the Board under this Article or as provided under the applicable law (including the provisions of the Act).
54.	Contracts with Directors, officers, & employees	Subject to the restrictions, if any, imposed by the Act, no Director or other officer or employee of the Company shall be disqualified by his office from contracting with the Company either as vendor, purchaser, broker, agent or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director or any officer or employee of the Company is interested in any manner, be avoided nor shall the Director or officer or employee of the Company so contracting or so being interested be liable to account to the Company for any benefits arising from any such contract or arrangement, by reason

Article		Particulars
		only of such Director or officer or employee holding that office or being interested or the fiduciary relation thereby established; provided that the nature of interest or concern of each is disclosed in accordance with the provisions of the Act as applicable to the Company.
55.	The Seal	The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Board or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed, shall be affixed in the presence of any Two Director and countersigned by the Company Secretary or such other person as the Board/ Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence for the said purpose provided that the Certificate of Shares or Debentures shall be sealed in the manner and in conformity with the provisions of the Act.
56.	Unpaid or Unclaimed Dividend etc.	The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven days from the date of expiry of the thirty (30) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend of [●]". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law. The Company shall comply with the provisions of the Act in respect of any money remaining unpaid with the Company in the nature of: (i) application moneys received by the Company for allotment of any securities and due for refund has remained unclaimed for a period of seven years; (ii) deposits received by the Company and due for repayment has remained unclaimed for a period of seven years; (iii) debentures issued by the Company and matured for redemption has remained unclaimed for a period of seven years; (iv) the interest, if any, accrued on the amount referred at items (i), (ii) and (iii) respectively; (v) sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven years or more; (vi) redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and (vii) such other amount that may be prescribed under the Act.
57.	Borrowing Powers	The Board may from time to time at its discretion raise or borrow or secure the payment of or may itself lend any sum or sums of money for the purposes of the Company. The Board may raise money and secure the repayment of such money in such manner and on such terms and conditions in all respects, as it thinks fit and proper and in particular by the issue of debenture and bonds of the Company or by the creation of debenture stock, subject to the limitations and restrictions in the Act or by making, drawing, accepting or endorsing on behalf of the Company, promissory note or bills of exchange, or giving or issuing any other securities of the Company or mortgage or charge of all or any part of the property of the Company, both present and future, including its uncalled capital for the time being and the Board may on behalf of the Company guarantee all or any part of any loan or debt, incurred by the Company with power for them to secure the guarantors against liability in respect of such loans by means of mortgage or change of the Company's property moveable or immoveable or otherwise.
58.	Capitalisation	Notwithstanding anything contained in Table F, but subject to the provisions of the Act, at any general meeting of the Members of the Company, the Company may

Article		Particulars
		resolve that any amount standing to the credit of the Securities Premium Account or the Capital Redemption Reserve Account or Profit & Loss Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and otherwise available and set free for distribution amongst the Members who would have been entitled thereto in such proportions as may be permitted under the Act: (i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds of obligations of the Company; or (ii) by crediting the shares of the Company which may have been issued and or not fully paid-up with the whole or any part of the sum remaining unpaid thereon.
59.		Subject to the Act, any amounts standing to the credit of the Securities Premium Account may be applied in: (a) paying up unissued shares of the Company to be issued to Members of the Company as fully paid bonus shares; (b) in writing off the preliminary expenses of the Company; (c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures or the Company; or (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. (e) for the purchase of its own shares or other securities under Section 68 of the Act. Provided further that subject to provisions of the Act, any amount standing to the credit of the Capital Redemption Reserve Account may be applied in paying up unissued shares of the Company to be issued to the Members of the Company as fully paid bonus shares.
60.		Such issue and distribution under Article 58(i) and such payment to the credit of unpaid share capital under Article 58(ii) above shall be made thereto on the floating that such Members become entitled thereto as capital.
61.		The Board shall give effect to the resolution passed by the Company and shall: (a) Make all appropriations and application of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and (b) Generally to do all acts and things required to give effect thereto.
62.		For the purpose of giving effect to any such resolution the Board may settle any difficulties which may arise in regard to the distribution or payments as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons or make payment in cash and fix the value for distribution of any specific assets and may determine that such payments be made to any Members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds or other obligations in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangements for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or payment in cash or otherwise as they may think fit.
63.	Wrongful withholding of Property	No officer or employee of the Company shall be liable for an act of wrongfully withholding any property of the Company so long as such withholding is either under any direction given by the Board or has been held in furtherance of any for the benefit of the Company.
64.	Inspection of certain registers	The Company shall be entitled to put such reasonable restrictions in relation to inspection of (i) minute-books containing the minutes of any general meeting or resolution passed by postal ballot or (ii) register containing details of such

Article		Particulars
		investments that are not held in the name of the Company, as may be determined at a general meeting of the Company.
65.	Casting Vote	The Chairman shall have a second or casting vote in the event of an equality of votes at Board meetings or general meetings of the Company.
66.	Entrenchment	The Company shall be permitted to entrench such provisions as may be deemed fit by the Company from time to time and at any time. The provisions entrenched in the Articles shall be amended only in the manner provided in the Articles (which itself shall be deemed to be entrenched in the same manner) at the time of entrenching any provision.
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PART B

Article		Particulars
SHARE CAPITAL		
5.	Share Capital	The Authorized Share Capital of the Company is Rs.95,00,00,000 (Rupees Ninty Five Crores only) divided into 9,50,00,000 (Nine Crore Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each, with power to divide the shares of the capital into several classes and to attach thereto respectively such qualified or special rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company as originally framed or as altered by special resolution. * *The Authorized Share Capital of the Company has been increased from Rs.75 Crores to Rs.95 Crore vide Special Resolution passed by the members of the Company at the Extra-Ordinary General Meeting held on March 21, 2017.*
ALLOTMENT RETURN		
6.	Allotment Return	The Board shall duly comply with the provisions of Section 39 of the Act, with regard to the allotment of shares from time to time.
VARIATION OF RIGHTS OF SHARE HOLDERS		
7.		The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Sections 48of the Act, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.
COMMISSION AND BROKERAGE		
8.		Subject to the provisions of Section 40 of the Act, the Company may, at any time,pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in, debentures or debenture-stock of the Company, but so that the statutory conditions and requirements shall be observed and complied with. The Company also, on any issue, pay such brokerage as may be reasonable and lawful.
JOINT HOLDERS OF SHARES		
9.		Where two or more persons are registered as joint holders of any shares they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions: (a) the person whose name stands first on the register in respect of such share shall alone be entitled to delivery of certificate thereof; (b) any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share and such joint holders shall be severally as well as jointly liable for payments of all installments and calls due in respect of such share/shares; (c) any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof. Several executors or administrators, of a deceased member in whose names any share stands shall for the purpose of this Article be deemed as joint holders, thereof; (d) in case of death of any one or more of such joint holders, the survivors shall

Article		Particulars
		be the only persons recognised by the Company as having any title to or interest in such share, but the Director may require such evidence of death, as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person; (e) all notices directed to be given to the members shall be given to the person first named in the register, and notice so given shall be sufficient notice to all the holders of such shares.
		SHARE CERTIFICATES
10.	Issue of Share Certificate	Every certificate of title to shares shall be issued under the seal of the company. Every share certificate and every document of title to the shares whether in renewal of an existing share certificate or other documents of the title or issued for the first time shall be issued under the authority of the Board of Directors and in accordance with provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any modification thereof and in accordance with the provisions of Law or other rule having the force of law applicable thereto.
11.	Right to Share Certificate	Every person whose name is entered as a member in the Register shall be entitled to receive without payment: (a) one certificate for all his shares; or (b) where the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with the usage of the Stock Exchanges or at the request of the share holder, several certificates one each per marketable lot and one for balance.
12.		The Company shall within two months after the allotment or within twomonths after application for the registration of the transfer of any shares or debentures, complete and have ready for delivery the certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares or debentures otherwise provide.
13.		Every certificate shall be under the seal and shall specify the shares or debentures to which it relates and the amount paid up thereon.
14.		The provisions of Article 12 and 13 above shall apply mutatis mutandis to debentures and debenture-stock allotted or transferred.
15.		No fee shall be charged for the issue of a new share certificate either for sub-division of the existing share certificate or for consolidation of several share certificates into one or for issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement of transfer or for registration of any Probate, letter of administration, succession certificate or like document or registration of any, Power of Attorney, Partnership Deed, Memorandum and Articles of the Companies or other similar documents.
16.	Issue of Share Certificate to Joint Holders	In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share and delivery of a certificate for a share to the first named member of several joint holders shall be sufficient delivery to all such holders, subject as aforesaid the joint holders shall be entitled to apply for several certificates each for one or more shares held by them in accordance with these Articles.
17.	Endorsement on Share Certificate	In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and may authorise any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate, in the name of the transferee.
18.	Renewal of Share Certificate	If a certificate be worn out, defaced, destroyed or lost or if there is no further space on the back thereof for endorsement of transfer, it shall if requested, be replaced by a new certificate free of charge provided however that such new certificate shall not be granted except upon delivery of the worn-out or defaced or used up certificate for the purpose of cancellation, in accordance with the Companies (Share Capital and Debenture) Rules, 2014 or upon proof of destruction or loss

Article		Particulars
		and on such indemnity as the Board may require in the case of the certificate having been destroyed or lost. Any duplicate certificate shall be marked as such.
19.	Company's Lien on Shares	The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) 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 such shares and no equitable interest in any shares shall be created, except upon the footing and the condition that this Article 19 will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares. The Directors at any time declare any share wholly or in part to be exempt from the provisions of this Article 19.
20.	Enforcing of Lien by Sale	For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made until the expiration of 14 daysafter a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being, or to the person entitled to the shares by reason of the death or insolvency of registered holder.
21.	Application of Proceeds of Sale	The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
22.		The residue if any, shall, subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of sale.
23.	Application of any money due to a Share Holder	Any money due from the Company to a shareholder, may without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person to the Company in respect of call or otherwise.
CALLS ON SHARES		
24.	Calls	Subject to the provisions of Section 49 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the date, time and place or at the dates, times and places appointed by the Board of Directors.
25.	Calls deemed to be made	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 fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.
26.	Notice of call	Not less than fourteen days' notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
27.	Sums payable at fixed date to be treated as calls	If by the terms, of issue of any shares or otherwise any amount is made payable at any fixed dates or by installments at fixed dates whether on account of the nominal value of share or by way of premium, every such amount or installments shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
28.	Calls to carry interest	If a sum called in respect of the shares is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of the actual payment. But the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.
29.		The provisions of this Article 29 as the payment of interest shall apply in the case

Article		Particulars
		of non- payment of any such sum which by the terms of issue of a share becomes payable at a fixed date, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
30.	Payment of calls in advance	The Board of Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any part of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding (without the sanction of the Company in Genera! Meeting) 6 percent per annum as may be agreed upon between the member paying the sum in advance and the Board of Directors but shall not in respect of such advances confer a right to the dividend or to participate in profits or to any such voting rights.
31.	Part payment shall not affect the right of forfeiture	Neither a judgment nor a decree in favour of the Company, for calls or other moneys due in respect of any share, nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as hereinafter provided.
32.	Allotment money payable	If by any conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.
33.	Corporate Governance	<u>Company Directors</u> The Board shall be constituted in accordance with applicable Law, including the provisions of the Act.
34.		Investor 1shall have the right to nominate to the Board of Directors such number of Directors as is proportionate to its shareholding in the Company, subject to a minimum of 1 (one) Director, whose office shall not be capable of being vacated by retirement or by rotation ("**Investor Directors**").
35.		The Promoters and Other Shareholders shall collectively have the right to appoint a maximum of 7 (seven) Directors to the Board ("**Promoter Directors**"). The number of Promoter Directors will be reduced to 5 (five) within 1 (one) year from June 23, 2014.
36.		The Promoters shall ensure that the composition of the Board complies, at all times, with all provisions of applicable Law, including the provisions of the Act.
37.		The Promoters shall ensure that: a. on or prior to March 31, 2015, the Company shall appoint at least 2 (two) Independent Directors to the Board; and b. on or prior to September 30, 2017, the Board is reconstituted such that the Board comprises of such number of Independent Directors (as such term is defined under the Listing Agreement or any other equivalent provision of Law applicable to companies, the equity shares of which are listed on any Recognized Stock Exchange) as is required under the Listing Agreement or any other equivalent provision of Law applicable to companies, the equity shares of which are listed on any Recognized Stock Exchange.
38.		<u>Observer</u> Investor 1 and Investor 2 shall each have the right to appoint an observer to the Board of the Company, Associate Companies and the Subsidiaries. The observers so appointed ("**Investor Observers**") shall be entitled to attend all Board Meetings and Committee Meetings and to receive copies of all agenda and other papers circulated to the Directors of the Company, but shall not be entitled to exercise a vote in respect of any resolutions to be passed by the Board or any Committee.
39.		<u>Alternate Director</u> Investor 1shall be entitled to nominate alternate Directors to each of the Investor Directors in accordance with the Act and such alternate Directors shall be entitled

Article		Particulars
		to receive all notices, attend all Board Meetings and all Committee Meetings of any Committee of which the Investor Directors are members, and exercise all voting rights of the respective Investor Director when such Investor Director is not in attendance.
40.		Removal and Replacement The Investor Directors may only be removed from the Board and the Committees to which the Investor Directors are appointed by Investor 1, in its sole and absolute discretion. In the event that any of the Investor Directors resign or the office of any of the Investor Directors becomes vacant for any reason, Investor 1will have the right to nominate such Investor Director's successor or replacement.
41.		Expenses Subject to applicable Law, the Company shall pay the Investor Directors remuneration in line with its regular Board practice and all out of pocket expenses (including all reasonable travel and boarding expenses) incurred in order to attend meetings of the Shareholders, Board or any Committees (including costs of business-class airfare, hotel accommodation and local transportation). The Company shall further pay all out of pocket expenses (including all reasonable travel and boarding expenses) incurred by the observers appointed by the Investors, in order to attend meetings of the Shareholders, Board or any Committees (including costs of economy-class airfare, hotel accommodation and local transportation).
42.		Effecting Investor Decisions In order to effect any decision regarding appointment, replacement and/or removal of the Investor Directors, Investor 1may issue a written notice to the Company specifying its decision and providing, in the case of an appointment or replacement, the names and director identification numbers (DINs) of the nominees ("**Investor Director Notice**"). The Company and the Promoters shall procure that such appointment, replacement and/or removal is effected, including the filings of appropriate forms with the ROC, as soon as practicable after receipt of the Investor Director Notice.
43.		Qualification Securities The Investor Directors shall not be required to hold any qualification Equity Shares or Equity Securities.
44.		Non-Executive Director The Investor Directors shall be non-executive Directors, who shall have no responsibility for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Law. None of the Investor Directors shall be construed as an "officer in default" (under the Act) or an "occupier" (of the Company's premises) under applicable Law.
45.		Indemnification Subject to the provisions of the Act, the Company shall indemnify, defend and hold harmless the Investor Directors and the Investor Observers ("**Indemnified Nominees**") promptly upon demand at any time and from time to time (unless it is permitted under applicable Law to advance any such payments only after final adjudication or receipt of permission from the Court, in which case, at such prescribed time), from and against any and all Losses to which the Indemnified Nominees may become subject, including Losses pursuant to any Claim against the Indemnified Nomineesor to which the Investor Directors are made a party, insofar as such Losses arise out of, in any way relate to, or result from the Indemnified Nominees' holding a position on the Board and Committees and/or otherwise from the Indemnified Nominees'current or past association with the Company or any breach or alleged breach of the Indemnified Nominees'fiduciary duties in such capacity, without requiring the Investors or theirAffiliates to indemnify the Indemnified Nominees in the first instance and any obligation of the Investors or theirAffiliates under any document or instrument providing for indemnification or advancement by such entity shall be secondary. The Company shall not, without obtaining theInvestor Consents, amend any provisions of the Charter Documents in relation to indemnity, in any manner, which may adversely affect the rights of the Indemnified Nomineesin relation to any act or omission having occurred prior to the date of such amendment.

Article		Particulars
46.		<u>Notice</u> Any Director or Investor 1shall be entitled to call a Board Meeting, provided that, at least 14 (fourteen) Business Days written notice shall be given to each Director and Investor 1 of any Board Meeting. Any notice shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting together with copies of any relevant papers to be discussed at the meeting.
47.		<u>Quorum for Board Meetings</u> The quorum for each Board Meeting shall be the higher of the quorum requirements provided under the Act or 3 (three) Directors, provided that the presence of at least 1(one) Investor Director will be mandatorily required in order to constitute a quorum for any Board Meeting of the Company, unless Investor 1 has not exercised its right to appoint any Investor Director to the Board. Investor 1 shall have the right to, at its sole discretion, waive, in writing, the requirement for the presence of an Investor Director under this Article47. No discussion shall take place or decision be passed in respect of a Reserved Matter at a Board Meeting if the Company has not received an Investor 1 Consent specifically approving such Reserved Matter in the manner set out in Articles 193to 197.
48.		If such a quorum is not present within 1 (one) hour from the time set for the Board Meeting, the Board Meeting shall be automatically adjourned to the same day of the following week (and if such day is a national holiday, then the first day which is not a national holiday immediately following such day) at the same time and place and the notice and agenda for the adjourned Board Meeting shall be sent to all the Directors of the Company and Investor 1. If a Board Meeting is adjourned, the Directors present at the adjourned Board Meeting convened in accordance with this Article 48 shall, subject to the provisions of applicable Law and without prejudice to the rights of Investor1 under Articles 193 to 197, constitute a valid quorum for the Board Meeting, provided that at least 3 (three) Directors are present at such meeting. For the avoidance of doubt it is clarified that no discussion shall take place or decision be passed in respect of a Reserved Matter at the adjourned Board Meeting if the Company has not received an Investor 1 Consent specifically approving such Reserved Matter in the manner set out in Articles 193 to 197.
49.		<u>Voting</u> At any Board Meeting, each Director may exercise 1 (one) vote. Except as provided in Articles 193 to 197, the adoption of any resolution of the Board shall, subject to applicable Law, require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.
50.		<u>Board Committees</u> The Board shall within 1 (one) month from the date of Completion, constitute the following Committees, in accordance with the requirements of the Act: (i) a corporate social responsibility (CSR) committee; and (ii) a nomination and remuneration Committee. The Company and the Promoters shall ensure that the composition of each of the foregoing Committees as well as the audit committee constituted by the Board, shall, at all times, comply with the provisions of applicable Law, including the provisions of the Act.
51.		In addition to the Committees specified in Article 50 above, the Board shall constitute (i) a Committee to govern and recommend to the Board the incurrence of any capital expenditure by the Ccompany above a threshold of INR 15,000,000 (rupees fifteen million), incurrence of any new capital expenditure not approved under any Business Plan or change in scope of any capital expenditure limits agreed under any Business Plan; and (ii) a Committee to govern and approve any new projects (green field / acquisition) proposed to be executed by the Company.
52.		Investor 1 shall be entitled to appoint, and the Company and Promoters shall ensure that if required by Investor 1, the Board shall appoint, at least 1 (one) Investor Director to each of the Committees referred to in Article 50, as well as all other Committees constituted by the Board from time to time.
53.		The provisions of Article 33 to 52 shall apply mutatis mutandis to each Committee and to each Committee Meeting.
54.		<u>Frequency and Location</u> Board Meetings shall be held at least once in every 3 (three) month period such

Article		Particulars
		that the gap between Board Meetings shall not be more than 120 (one hundred and twenty days) and there shall be at least 4 (four) Board Meetings in any calendar year. Board Meetings shall be held in Hyderabad, or such a place as may be mutually agreed between the Promoters and Investor 1.
55.		Circular Resolutions Except as provided in these Articles in particular under Article 193 to Article 197, or otherwise prescribed by Law, a written resolution circulated to all the Directors and Investor 1, whether in India or overseas, and signed by a majority of such Directors as approved shall be as valid and effective as a resolution duly passed at a Board Meeting, provided that it had been circulated in draft form, together with the necessary background and other information and/or supporting documents pertaining to the subject matter thereof, to all the Directors and Investor 1. No resolution shall be circulated to the Directors for approval in respect of a Reserved Matter if the Company has not received an Investor1 Consent specifically approving such Reserved Matter in the manner set out in Articles 193 to 197.
56.		Telephonic / Video Participation Subject to applicable Law, Directors may, subject to applicable Law, participate in Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, provided that (i) each Person taking part in the meeting is able to hear each other Person taking part and it is possible to record the deliberations, and (ii) each Director has acknowledged his presence for the purpose of the meeting (and any Director not doing so shall not be entitled to speak or vote at the Board Meeting). A Director may not leave the meeting by disconnecting his telephone or other means of communication unless he has previously obtained the prior written consent of the chairman of the Board Meeting and a Director shall conclusively be presumed to have been present and formed part of the quorum at all times during the Board Meeting unless he has previously obtained the prior written consent of the chairman of the Board Meeting to leave the meeting as aforesaid.
57.		Minutes The Company shall prepare minutes of each Board Meeting and circulate them to the Investors and each Director and the Investor Observer within 7 (seven) Business Days after the Board Meeting, which minutes shall be signed at the commencement of the next Board Meeting.
58.		Shareholders' Meetings At least 21 (twenty one) days' prior notice of a Shareholders' Meeting (unless any consent for a shorter notice period is obtained in accordance with applicable Law) shall be given to the Shareholders and the Investors setting out an agenda identifying in reasonable detail the matters to be discussed.
59.		The quorum for the Shareholders' Meeting shall be in accordance with the Act, provided that the presence of 1 (one) authorized representative of Investor1 will be required in order to constitute a quorum for any Shareholders' Meeting. Investor 1 shall have the right to, at its sole discretion, waive the requirement for the presence of an authorized representative of Investor1 under this Article 59.
60.		If such a quorum is not present within 1 (one) hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be automatically adjourned to the same day of the following week (and if such day is a national holiday, then the first day which is not a national holiday immediately following such day) at the same time and place and the agenda for the adjourned Shareholders' Meeting shall remain the same. Provided that where a Shareholders' Meeting is adjourned for want of quorum, the Shareholders present at the subsequent Shareholders' Meeting convened in accordance with this Article 60 shall, subject to the provisions of applicable Law and without prejudice to the rights of Investor 1 under Articles 193 to 197, constitute valid quorum for such Shareholders' Meeting. Notwithstanding anything contained to the contrary herein, no discussion shall take place or decision be passed in respect of a Reserved Matter if the Company has not received Investor1 Consent specifically approving such Reserved Matter in the manner set out in Articles 193 to 197.
61.		Except as provided in Articles 193 to 197, voting at a Shareholders' Meeting and the adoption of any resolution of the Shareholders shall be governed by the

Article		Particulars
		provisions of the Act.
62.		<u>D&O Policy</u> The Company shall maintain a D&O Policy in favour of the Investor Directors in a form and substance satisfactory to Investor 1.
63.	Price Protection and most favourable rights	In the event the Company proposes to issue any Equity Securities to any Person(s) or undertake any such action which results in the issuance of Equity Securities at a pre- money equity valuation lower than the Investor 1 Post Money Equity Valuation of the Company ("**New Issue**"), then Investor 1 shall be adequately compensated and/or made whole by the Company and the Promoters, in a form and manner satisfactory to Investor 1, it being clarified that in the event that no Investor Consent shall be required from Investor 2 in connection with any such compensation or make-whole arrangements provided to Investor 1 pursuant to this Article 63. In the event the New Issue is at a pre-money equity valuation lower than the Investor 2 Post Money Equity Valuation of the Company, then Investor 2 shall be adequately compensated and/or made whole by the Company and the Promoters, in a form and manner satisfactory to Investor 2, it being clarified that in the event that no Investor Consent shall be required from Investor 1 in connection with any such compensation or make-whole arrangements provided to Investor 2 pursuant to this Article 63. Any New Issue shall require an Investor 1 Consent and for any New Issue undertaken by the Company at any time after 3 (three) months of the Investor 1 Completion Date (other than the issue of the Investor 2 Subscription Shares pursuant to the Investor 2 Subscription Agreement)the Parties agree that the price per Equity Security to be issued in such New Issue will increase at the rate of at least 25% (twenty five per cent) per annum, compounded annually.
64.		In the event that Investor1 is required to be compensated pursuant to Article 63 above, Investor 1 may, at its option, require the Company and/or the Promoters to compensate Investor 1, including in the form of additional Equity Securities to be allotted by the Company to Investor 1, or Transferred by the Promoters to Investor 1, at the lowest price per Equity Security permissible under applicable Law, such that the overall average cost of acquisition per Equity Share paid by Investor 1 for the Investor 1 Subscription Shares pursuant to the Investor 1Subscription Agreement is reduced to the price at which such new Equity Securities are proposed to be issued under the New Issue.
65.		In the event that Investor 2 is required to be compensated pursuant to Article 63 above, Investor 2 may, at its option, require the Company and/or the Promoters to compensate Investor 2, including in the form of additional Equity Securities to be allotted by the Company to Investor 2, or Transferred by the Promoters to Investor 2, at the lowest price per Equity Security permissible under applicable Law, such that the overall average cost of acquisition per Equity Share paid by Investor 2 for the Investor 2 Subscription Shares pursuant to the Investor 2 Subscription Agreement is reduced to the price at which such new Equity Securities are proposed to be issued under the New Issue.
66.		The Company shall not, and the Promoters shall ensure that the Company does not, issue any Equity Securities to any Person, or enter into an agreement to issue any Equity Securities to any Person, or enter into any management agreement or shareholder agreement or any other agreements with any Person, which agreement confers on such Person rights which, considered in the aggregate, are more favourable than rights granted herein to Investor 1.
67.		The Company shall not, and the Promoters shall ensure that the Company does not issue any Equity Securities to any Person, or enter into an agreement to issue any Equity Securities to any Person, or enter into any management agreement or shareholder agreement or any other agreements with any Person, which agreement confers on such Person rights which may prevent, hinder or impede ("**Impeding Rights**") in any manner the exercise by Investor 1 or Investor 2 of any of their rights under the Shareholders' Agreement and any such Equity Securities or agreements providing such Impeding Rights shall be ab initio void and the issue of such Equity Securities and consummation of transactions pursuant to such agreements shall be unwound or terminated as soon as practicable.
68.		At the option of Investor 1, in the event the Company and the Promoters confer on

Article		Particulars
		such Person such rights which, when so considered, are more favourable than rights granted herein to Investor 1, notwithstanding anything in the Shareholders' Agreement or the Amended Charter Documents, Investor 1 may require that the rights of Investor 1as provided for in the Shareholders' Agreement and the Amended Charter Documents, including these Articles, be modified and amended in accordance with the rights granted to such Person to confer on Investor 1 rights at least as favourable as those conferred on such Person as of the Effective Date and the Company and the Promoters shall take all necessary steps to amend the Charter Documents to give effect to such modification of rights of Investor 1.
69.		Nothing in these Articles 63 to 70shall apply to any issuance or proposed issuance of any Equity Securities: a. Pursuant to the terms of an employee stock option plan, including an ESOP, approved and undertaken in accordance with the Reserved Matters; or b. In a Qualified IPO approved and undertaken in accordance with these Articles.
70.		None of the Company, Promoters or any Subsidiary or Associate Company shall, and the Company and Promoters shall ensure that each Subsidiary or Associate Company does not: (i) issue any equity shares or equity securities to any Person, or enter into an agreement to issue any equity shares or equity securities to any Person, without Investor 1Consent; (ii) enter into any subscription agreement, management agreement or shareholder agreement or any other agreements with any Person, without Investor 1Consent; and (iii) ensure that agreements referred to in Article 70(ii)above, does not confer on such Person rights which, considered in the aggregate, are more favourable than the rights granted to Investor1 in respect of such Subsidiary or Associate Company under these Articles. Provided that atthe option of Investor 1, in the event that any such Person is conferred with rights which, when so considered, are more favourable than the rights granted herein to Investor 1, in respect of any Subsidiary or Associate Company, notwithstanding anything in the Shareholders' Agreement or these Articles, Investor1 may require that the rights of Investor 1as provided for in the Shareholders' Agreement and the Amended Charter Documents be modified and amended in accordance with the rights granted to such Person to confer on Investor 1rights at least as favourable as those conferred on such Person in respect of such Subsidiary or Associate Company as of the Effective Date and the Company and the Promoters shall take all necessary steps to amend the Charter Documents to give effect to such modification of rights of Investor 1.
71.	Anti-Dilution and Pre-Emptive Rights	Pre-Emptive Right The Company shall not, at all times following the Effective Date, issue any Equity Securities of any type or class to any Person, including to any or all of the Shareholders, unless the Company has (a) obtained an Investor1 Consent to such proposed issuance of Equity Securities, and (b) first offered Investor 1the right to subscribe to any part or the whole of the Securities proposed to be issued ("**New Securities**"), including such number of New Securities, as would entitle Investor 1 to maintain its Pro Rata Share i.e. its shareholding percentage in the Company as on the Effective Date or any time thereafter, after taking into account such issuance of New Securities.
72.		The Company shall not, at all times following the Effective Date, undertakea rights issuance of any Equity Securities of any type or class to the Shareholders of the Company, unless the Company offers all existing Shareholders of the Company (in accordance with the provisions of these Articles 71to 77) the right to subscribe to any part of the whole of the Equity Securities proposed to be issued, including such number of Equity Shares proposed to be issued, as the Investors

Article		Particulars
		would be entitled to as the Investors'Pro Rata Share in such Equity Shares ("**Rights Securities**").
73.		Notice Not less than 30 (thirty) Business Days before a proposed issuance of Rights Securities by the Company ("**Proposed Issuance**"), the Company shall deliver to the existing Shareholders of the Company a written notice of the Proposed Issuance setting forth (i) the number, type and terms of the Rights Securities, including the subscription price of such Rights Securities, to be issued, and (ii) the consideration to be received by the Company in connection with the Proposed Issuance.
74.		Exercise of Rights Within 30 (thirty) Business Days following delivery of the notice referred to in Article 73 ("**Pre-Emptive Offer Period**"), any existing Shareholder ("**Subscribing Shareholder**") may, if it elects to exercise its rights under Articles 71 to 77, give written notice to the Company specifying the number of Rights Securities to be purchased by such Subscribing Shareholder and the aggregate subscription price payable by such Subscribing Shareholder for the subscription to such Rights Securities ("**Pre-Emptive Exercise Notice**"). Failure by any existing Shareholder to give such notice within the Pre-Emptive Offer Period shall be deemed a waiver by such existing Shareholder of its rights under theseArticles 71 to 77with respect to such Proposed Issuance. If however any existing Shareholder fails to give the notice required under this Article 74 solely on account of the Company's failure to comply with the notice provisions of Article 73, then the Company shall not issue the Rights Securities pursuant to Articles 71 to 77and if purported to be issued, such issuance of the Rights Securities shall be void. Each of the Investor'smay, at theirsole discretion and in accordance with applicable Law, renounce in favour of any of their respectiveAffiliates or any other Person nominated by it, such Investor'sright to subscribe to any or all of its Pro Rata Share of the Rights Securities, subject to such Affiliate or nominee agreeing in writing to be bound by the terms of the Shareholders' Agreement applicable to Investor 1 or Investor 2 as the case may be. In the event that such right is exercised by any of the Investors, then the term "Subscribing Shareholder" for the purpose of these Articles 71 to 77shall be deemed to mean any include such Affiliate or nominee of Investor 1 or Investor 2, as the case may be, to the extent of the Rights Securities to be subscribed to by such Affiliate or nominee of Investor 1 or Investor 2 as the case may be and such Affiliate shall execute a Deed of Adherence in the form set out in Part A of Schedule 4of the Shareholders' Agreement pursuant to which such Affiliate or nominee, shall be granted all the rights available to Investor 1 or Investor 2, as the case may be, hereunder and agree to abide by and adhere to the Shareholders' Agreement.
75.		Consents If any Subscribing Shareholder is entitled to subscribe to Rights Securities pursuant to the foregoing Articles, the Company shall and the Promoters shall cause the Company to apply for and obtain all such Consents and take all necessary corporate actions as may be required to issue the Rights Securities to such Subscribing Shareholder within 30 (thirty) Business Days from the date of receipt of the Pre-Emptive Exercise Notice by the Company.
76.		Failure to Subscribe If any of the Rights Securities are not subscribed to by any existing Shareholder pursuant to theseArticles 71 to 77("**Non-Subscribing Shareholder**"), any other Shareholders which are not Non-Subscribing Shareholder (each an "**Eligible Shareholder**") shall subject to applicable Law have the option (but not the obligation) to subscribe to such Rights Securities not subscribed to by any Non-Subscribing Shareholder (the "**Unsubscribed Securities Entitlement**"). If more than 1 (one) Eligible Shareholder wishes to subscribe to the Unsubscribed Securities Entitlement (each a "**Supplemental Subscription**"), then such Eligible Shareholders shall make such Supplemental Subscription in proportion to their inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis. For this purpose, in the event that any Non-Subscribing Shareholder notifies the Company of the waiver or rejection of its rights under Articles 71 to

Article		Particulars
		77, or in the event that any Non-Subscribing Shareholder does not notify the Company of its election to purchase its Pro Rata Share of the Rights Securities within the Pre-Emptive Offer Period, then the Company shall notify the other Shareholders of such non-subscription and of the number of Rights Securities available for subscription pursuant to this Article76. The other Shareholders shall be granted an additional period of 15 (fifteen) Business Days, within which period, the other Shareholders shall notify the Company of their election to subscribe to the Unsubscribed Securities Entitlement.
77.		Nothing in Articles 71 to 77shall apply to any issuance or proposed issuance of any Securities: a. Pursuant to the terms of an employee stock option plan, including an ESOP; or b. In a Qualified IPO approved and undertaken in accordance with these Articles.
TRANSFER & TRANSMISSION OF SHARES		
78.		Neither the Investors nor any of the Promoters, Other Shareholders or their respective Affiliates shall Transfer or attempt to Transfer any Equity Securities or any right, title or interest therein or thereto, except as expressly permitted by the provisions of these Articles. Any Transfer or attempt to Transfer Equity Securities in violation of these Articles shall be null and void ab initio, and the Company shall not register any such Transfer.
79.	Non disposal undertaking	Notwithstanding anything contained in these Articles, the Promoters and Other Shareholders shall, for as long as Investor1 holds any Investor 1Securities, each of the Promoters and the Other Shareholders shall, and the Promoters shall ensure that the Other Shareholders shall: a. Subject to Article 79(b) below, continue to hold all Equity Securities held by them in the Company on the Effective Date and all additional Equity Securities of the Company acquired by them at any time following the Effective Date ("**Locked-In Shareholding**"); and b. Not, directly or indirectly, dilute or Transfer in any manner including to any of the other Promoters or Other Shareholders or any of their respective Affiliates, including by way of creation of any Encumbrance over such Locked-In Shareholding without Investor 1 Consent (other than the Encumbrance created over such Locked-In Shareholding as of the Execution Date and which has been disclosed in <u>Part G</u> of <u>Schedule 1</u> of the Shareholders' Agreement), it being clarified that upon release of such Encumbrance, any renewal or re-creation of any Encumbrance over such Equity Securities shall require an Investor 1 Consent.
80.		The Promoters and the Other Shareholders shall be permitted to Transfer, in any manner whatsoever including by way of creation of an Encumbrance, in the aggregate, Equity Securities constituting up to 2% (two per cent) of the Share Capital (calculated on a Fully Diluted Basis) in each Financial Year, and subject to an overall aggregate limit of 5% (five per cent) of the Share Capital (calculated on a Fully Diluted Basis), provided that each such Promoter and Other Shareholder shall, and that the Promoters shall procure that each Other Shareholder shall, notify the Investors, in writing, of any Transfer by them of any Equity Securities held by them in the Company, no later than 2 (two) Business Days following any such Transfer.
81.		Notwithstanding anything contained in these Articles 79to 86, the shareholding of the Promoters in the Company, calculated on a Fully Diluted Basis, shall at all times, be equal to or exceed 50.1% (fifty point one per cent), and the Promoters shall not, in any manner, dilute, or permit the dilution of, their shareholding in the Company, below 50.1% (fifty point one per cent) whether pursuant to a Transfer, issuance of fresh Equity Securities or otherwise.
82.		The restrictions contained in Article 79and 81above shall not apply to: a. The Equity Shares held by the Promoters in the Company (constituting

Article		Particulars
		25.39% (twenty five point three nine per cent) of the Share Capital), which Equity Shares are currently pledged in favour of certain term loan lenders of the Company as security for the term loans provided to the Company, details of which have been set out in Part G of Schedule 1 of the Shareholders Agreement; b. The 750,000 (seven hundred fifty thousand) Equity Shares held by the Promoters in the Company, over which Equity Shares a pledge has been created for the benefit of Placid Limited for the purpose of securing the term loan of INR 200,000,000 (Rupees two hundred million) provided by Placid Limited to the Company, ("**Placid Loan Facility**") and details of which have been set out in Part G of Schedule 1 of the Shareholders' Agreement, for as long as the pledges referred to under this Article 82are valid and in force, and have not been released by the respective lenders. The Promoters hereby agree and undertake that immediately upon release of any pledge of Equity Shares referred to in this Article 82, the provisions of these Article 79to86(including the restrictions in Article 79and Article 81above) shall immediately be applicable to such Equity Shares and no further, additional or new Encumbrance shall be created by the Promoters on such Equity Shares, without obtaining Investor 1 Consent.
83.		The Promoters hereby agree that any additional Equity Securities or share equivalents hereafter acquired by the Promoters and the Other Shareholders (whether as a result of any increase in the Share Capital of the Company, exercise of any pre-emptive right, any purchase by the Promoters or Other Shareholders of additional Equity Securities of the Company, any conversion or exchange of Equity Securities, or otherwise) shall be subject to all of the terms and conditions contained in these Articles, including the restrictions set forth in Articles 79 to 86.
84.		**"Article deleted vide Extraordinary General Meeting dated 21st March, 2017."**
85.		The Company and the Promoters hereby covenant, agree and undertake, on behalf of (a) themselves, (b) the Other Shareholders that hold or any time hereafter acquire equity securities in any of the Subsidiaries and Associate Companies, and (c) their respective Affiliates and the Affiliates of each of the Persons in (b) (collectively, the "**Restricted Persons**") that, for as long as the Investors hold any Investor Securities, each of the Restricted Persons shall, and the Company and the Promoters shall ensure that the Restricted Persons shall: a. Continue to hold all equity securities held by them in any Subsidiary and Associate Company, on the Effective Date and all additional equity securities of the Subsidiaries and Associate Companies acquired by them at any time following the Effective Date ("**Subsidiary Locked-in Shareholding**"); and b. Not dilute, Transfer in any manner including to any of the other Restricted Persons, including by way of creation of any Encumbrance over such Subsidiary Locked-In Shareholding without Investor 1 Consent.
86.		The Company and the Promoters hereby agree that any additional equity securities or share equivalents hereafter acquired by the Restricted Persons in any Subsidiary or Associate Company (whether as a result of any increase in the share capital of such company, exercise of any pre-emptive right, any purchase by the Restricted Persons of additional equity securities of such company, any conversion or exchange of equity securities of such company, or otherwise) shall be subject to all of the terms and conditions of these Articles, including the restrictions set forth in Articles 79 to 86.
87.	Transfer by Investor 1	Subject to the provisions of theseArticle87 to 90 and Article 106 to 112 the Investor 1 Securities shall be freely transferable by Investor 1 and its Affiliates, and no restrictions on Transfer contained in these Articles shall apply to any Transfer of the Investor 1 Securities, it being clarified that the provisions of Article 87 to 90 and Article 106 to 112 shall not be applicable to any Transfer of Investor 1 Securities inter se between Investor 1 and any of its Affiliates.
88.		In the event that the Investor1 or any of its Affiliates proposes to Transfer any of

Article		Particulars
		the Investor 1 Securities, the Promoters and the Company shall provide all co-operation and assistance to Investor 1 and such Affiliate(s), including (i) providing any potential transferee and its authorized Representatives with reasonable access to Company information (including all properties, Assets, corporate, financial and other records, reports, books, Contracts and commitments of the Company) and to discuss and consult with respect to its business, actions plans, budgets and finances with the Directors and executive officers of the Company, as may be requested by Investor 1, and (ii) providing any assistance that may be required for obtaining any Consents in that regard.
89.		Investor 1 shall, at any time subject to the provisions of these Articles be entitled to seek a third party purchaser to purchase any or all of the Investor 1 Securities. The Company and the Promoters agree that (i) they shall take all such actions as may be required to facilitate the sale of the Investor 1 Securities to such third party purchaser (including without limitation by way of providing necessary disclosures of information, access to information, documentation and management of the Company, and providing customary representations, warranties and indemnities in relation to the Company, its Business and operations); and (ii) provide such third party purchaser with all rights available to Investor 1under these Articles.
90.		It is clarified that the rights of Investor 1 under Articles 87 to 90shall be available to Investor1 for as long as Investor 1 holds any Investor 1 Securities, notwithstanding any (i) previous Transfer of Investor1 Securities by Investor 1 in any manner; or (ii) any termination or fall away of any of the other rights of Investor1 under these Articles and the Shareholders' Agreement.
91.	Transfer by Investor 2	Subject to the provisions of Articles 91 to 94 and Article 106 to 112the Investor 2 Securities shall be freely transferable by Investor 2 and its Affiliates, and no restrictions on Transfer contained in these Articles shall apply to any Transfer of the Investor 2 Securities, it being clarified that the provisions of Articles 91 to 94 and Article 106 to 112 shall not be applicable to any Transfer of Investor 2 Securities inter se between Investor 2 and any of its Affiliates.
92.		In the event that Investor 2 or any of its Affiliates proposes to Transfer any of the Investor 2 Securities, the Promoters and the Company shall provide all co-operation and assistance to Investor 2 and such Affiliate(s), including (i) providing any potential transferee and its authorized Representatives with reasonable access to Company information (including all properties, Assets, corporate, financial and other records, reports, books, Contracts and commitments of the Company) and to discuss and consult with respect to its business, actions plans, budgets and finances with the Directors and executive officers of the Company, as may be requested by Investor 2, and (ii) providing any assistance that may be required for obtaining any Consents in that regard.
93.		Investor 2 shall, at any time subject to the provisions of these Articles, be entitled to seek a third party purchaser for all of the Investor 2 Securities and the Company and the Promoters agree that (i) the Company and the Promoter shall take all such actions as may be required to facilitate the sale of the Investor 2 Securities to such third party purchaser (including without limitation by way of providing necessary disclosures of information, access to information, documentation and management of the Company, and providing customary representations, warranties and indemnities in relation to the Company, its Business and operations); and (ii) the Company and the Promoter shall provide such third party purchaser with all rights available to Investor 2 under the Shareholders' Agreement**.**
94.		It is clarified that the rights of Investor 2 under Articles 91 to 94shall be available to Investor 2 for as long as Investor 2 holds any Investor 2 Securities, notwithstanding any (i) previous Transfer of Investor 2 Securities by Investor 2 in any manner; or (ii) any termination or fall away of any of the other rights of Investor 2 under these Articles.
95.	Transfers by the Promoters / Other Shareholders	Subject to Article96, no Transfer may be made by the Promoters or Other Shareholders, including to any other Promoters or Other Shareholders or their respective Affiliates: a. Without Investor 1 Consent;

Article		Particulars
		b. If such Transfer would violate in any manner the provisions of Articles 79 to 86 and Article 78and Articles 87 to 98and any other applicable provisions of these Articles; c. Unless the Transfer complies in all respects with applicable Law; and d. Unless the Transferee agrees in writing to be bound by the terms and conditions of the Shareholders' Agreement by executing a Deed of Adherence in the form and manner attached at Part B of Schedule4 of the Shareholders' Agreement (in the case of a Transfer by a Promoter or Other Shareholder to another Promoter or Other Shareholder or to an Affiliate or to any Affiliate of another Promoter or Other Shareholder) or at Part C of Schedule 4of the Shareholders' Agreement (in the case of a Transfer to any other Person).
96.	Depositories	The Company shall issue appropriate instructions to the depository not to effect any Transfer of Securities of any of the Promoters or Other Shareholders unless the Company Secretary of the Company confirms that such Transfer has been made in accordance with the Amended Charter Documents and the Shareholders' Agreement. The Promoters shall direct their respective depository participants, and shall cause the Other Shareholders to direct their respective depository participants to, not to accept any instruction slip or delivery slip or other authorisation for Transfer without being in receipt of such confirmation by the Company Secretary of the Company.
97.	Avoidance of Restrictions	The Promoters agree, on behalf of themselves, and the Other Shareholders that the Transfer restrictions in these Articles shall not be capable of being avoided by the holding of any Equity Securities indirectly through a company or other entity, the equity securities or equity shares of which company or entity can itself be transferred in order to Transfer an interest in the Equity Securities. Any Transfer of any equity securities or equity shares as set out in the preceding sentence or any change in the shareholding of any Promoters or Other Shareholder (in the case of Promoters and Other Shareholders that are bodies corporate) shall be treated as being a Transfer of Securities by the relevant Promoter or Other Shareholder and consequently a breach of the Transfer restrictions in these Articles.
98.	Intimation to Shareholders	Within 10 (ten) Business Days after registering any Transfer of Equity Securities in its register of members, the Company shall send a notice to each Shareholder stating that such Transfer has been completed and setting forth the name of the transferor, the name of the transferee and the number of Equity Securities Transferred, and if applicable, the Deed of Adherence executed by the transferee in respect of the Equity Securities so Transferred.
98A.		Nothing from Articles 78 and Articles 87 to 98 shall apply to any issuance or proposed issuance of any Equity Securities in a Qualified IPO approved and undertaken in accordance with this Article. *[Article 98A inserted vide Extraordinary General Meeting dated 21st March, 2017]*
99.	Right of first offer for Promoter / Other Shareholder Transfers	First Offer Right. Subject to Articles 78 and Articles 87to 98, if any Promoter or Other Shareholders or any of their respective Affiliates that hold Equity Securities in the Company (the "**Transferring Shareholder**") propose(s) to Transfer it's or their Equity Securities in accordance with the terms of these Articles, Investor 1 shall first have a right of first offer (the "**First Offer Right**") with respect to such Transfer as provided in these Articles 99 to 105.
100.		Transfer Notice. If the Transferring Shareholder proposes to sell any of its Equity Securities, the Transferring Shareholder shall send a written notice at least 45 (forty five) Business Days prior to the planned date of the Transfer (the "**Transfer Notice**") to Investor 1, which notice shall state the number and type of the Equity Securities proposed to be Transferred ("**Offered Securities**").
101.		Exercise of Rights. For a period of30 (thirty) Business Days after delivery of a Transfer Notice (the "**Offer Period**"), Investor 1 shall have the right (but not the obligation), exercisable through the delivery of an Offer Election Notice as provided in this Article 101, to offer a price ("**Offer Price**") for purchase, by

Article		Particulars
		Investor 1 or any of its Affiliates or any person nominated by it, of all or any of the Offered Securities upon the other terms and conditions set forth in the Transfer Notice. The First Offer Right of Investor 1 under Article 99 shall be exercisable by delivery by Investor 1, of a written notice of exercise ("**Offer Election Notice**") within the Offer Period to the Transferring Shareholder.
102.		In the event that the Transferring Shareholder accepts the offer made by Investor 1 in terms of the Offer Election Notice, which acceptance shall be communicated within a period of 15 (fifteen) Business Days from the date of receipt of the Offer Election Notice, the Transferring Shareholder shall be under an obligation to sell, and Investor 1 will be under an obligation to buy, the Offered Securities on the terms and conditions (including price) mentioned in the Offer Election Notice and sale and transfer shall be completed within a period of 15 (fifteen) Business Days from the date of the Offer Election Notice or such other extended period as may be agreed between the Transferring Shareholder and Investor 1.
103.		In the event that the Transferring Shareholder does not accept Investor 1's offer to purchase the Offered Securities or does not receive the Offer Election Notice within 15 (fifteen) Business Days of receipt of the Transfer Notice by Investor 1 or if Investor 1 elects not to purchase the Offered Securities, the Transferring Shareholder shall, subject to Articles 106 to 122, be free to offer the Offered Securities to any third party ("**Purchaser**") at a price, which shall be at least 2.5% (two point five per cent) higher than the Offer Price and on the terms and conditions no less favourable to the Transferring Shareholder than those offered in the Offer Election Notice. If the Transferring Shareholder receives an offer for the purchase of the Offered Securities from any Purchaser, at a price that is higher than the Offer Price by less than 2.5% (two point five per cent) of the Offer Price ("**Revised Price**"), the Transferring Shareholder shall provide Investor 1 with a written notice setting out such price offered by the Purchaser, and the other terms if any, of the sale of the Offered Securities to the Purchaser ("**Revised Price Notice**"). Investor 1 shall have the right, exercisable by it by way of delivery of a written notice within 15 (fifteen) days from the date of receipt of the Revised Price Notice by Investor 1, to purchase the Offered Securities at a price equal to the Revised Price. If Investor 1 agrees to purchase the Offered Securities at such Revised Price, then the Transferring Shareholder shall be under the obligation to sell, and Investor 1 will be under an obligation to buy, the Offered Securities at the Revised Price and on the terms set out in the Revised Price Notice within 30 (thirty) Business Days of the receipt of the Revised Price Notice. In the event if Investor 1 does not confirm to purchase the Offered Securities at the Revised Price in terms of the Revised Price Notice then the Transferring Shareholder shall be free to sell the Offered Securities to the Purchaser, provided that such Purchaser executes a Deed of Adherence in the form set out in Part C of Schedule 4of the Shareholders' Agreement pursuant to which such transferee or acquirer, shall agree to abide by and adhere to the Shareholders' Agreement.
104.		Consents. If Investor 1 and/or its Affiliates or nominees elect to purchase the Offered Securities pursuant to the foregoing Articles, the Company and the Transferring Shareholder shall, and Promoters shall cause the Company and the Transferring Shareholder to, apply for and obtain all such Consents and take all necessary corporate actions as may be required to Transfer the Offered Securities to Investor 1 and/or its Affiliates or nominees within 15 (fifteen) Business Days from the date of receipt of the Offer Election Notice by the Transferring Shareholder.
105.		Closing. The closing of any purchase of Offered Securities by Investor 1 shall be held at the registered office of the Company on the 15th (fifteenth) Business Day from the date of receipt of the Offer Election Notice or confirmation of purchase to the Revised Price Notice by the Transferring Shareholder, or at such other time and place as the parties to the transaction may agree. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depositary participant. Such Offered Securities shall be free and clear of any Security Interest or Encumbrance, and the Transferring

Article		Particulars
		Shareholder shall so represent and warrant and shall further represent and warrant that it is the legal, beneficial and recorded owner of such Offered Securities. Investor 1 shall deliver at such closing, payment in full, of the Offer Price in accordance with the terms set forth in the Transfer Notice subject to any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Securities to the Investor. Any stamp duty or transfer taxes or fees payable on the transfer of the Offered Securities shall be borne and paid by Investor 1.
106.	Right of first offer for Investor Transfers	<u>First Offer Right</u> If any of the Investors or any of their respective Affiliates or nominees that have acquired Equity Securities in the Company pursuant to Articles 71 to 77, Article 87, Article 91 and Article 99 to 105 above (the "**Investor Transferring Shareholder**") propose(s) to Transfer its or their Investor Securities in accordance with the terms of these Articles, the Promoters shall first have a right of first offer (the "**Promoter First Offer Right**") with respect to such Transfer as provided in Articles 106 to 112. Notwithstanding anything contained in these Articles any obligations of the Investors under Articles 106 to 112 shall automatically terminate, fall away and immediately cease to have effect upon the earlier of (a) the Cut-Off Date; or (b) the occurrence of an Event of Default; or (c) the successful completion of a Qualified IPO.
107.		<u>Transfer Notice</u> If the Investor Transferring Shareholder proposes to sell any of the Investor Securities, the Investor Transferring Shareholder shall send a written notice at least 45 (forty five) Business Days prior to the planned date of the Transfer (the "**Investor Transfer Notice**") to the Promoters, which notice shall state the number and type of the Investor Securities proposed to be Transferred ("**Investor Offered Securities**").
108.		<u>Exercise of Rights</u> For a period of 30 (thirty) Business Days after delivery of an Investor Transfer Notice (the "**Promoter Offer Period**"), the Promoters shall have the right (but not the obligation), exercisable through the delivery of a Promoter Offer Election Notice as provided in this Article 108, to offer a price ("**Promoter Offer Price**") for purchase, by any one or more of the Promoters, represented by Dr. Bhaskar Rao, of all and not less than all the Investor Offered Securities upon the other terms and conditions set forth in the Investor Transfer Notice. The Promoter First Offer Right of the Promoters under Article 106 shall be exercisable by delivery by the Promoters, of a written notice of exercise ("**Promoter Offer Election Notice**") within the Promoter Offer Period to the Investor Transferring Shareholder, which Promoter Election Notice shall specify the identity of the Promoter(s) electing to purchase such Investor Offered Securities, and in the proportion in which such Investor Offered Securities shall be purchased by the Promoters. It is clarified that nothing in these Articles 106 to 112 shall restrict the Investor Transferring Shareholder from inviting, simultaneously or otherwise, any offers to purchase the Investor Offered Securities from any other Person
109.		In the event that the Investor Transferring Shareholder accepts the offer made by the Promoters in terms of the Promoter Offer Election Notice, which acceptance shall be communicated within a period of 15 (fifteen) Business Days from the date of receipt of the Promoter Offer Election Notice, the Investor Transferring Shareholder shall be under an obligation to sell, and the Promoters will be under an obligation to buy, the Investor Offered Securities on the terms and conditions (including price) mentioned in the Promoter Offer Election Notice and sale and transfer shall be completed within a period of 15 (fifteen) Business Days from the date of the Promoter Offer Election Notice or such other extended period as may be agreed between the Investor Transferring Shareholder and the Promoters.
110.		In the event that the Investor Transferring Shareholder does not accept the Promoters' offer to purchase the Investor Offered Securities or does not receive the Promoter Offer Election Notice within 15 (fifteen) Business Days of receipt of the Investor Transfer Notice by the Promoters or if the Promoters elect not to purchase the Investor Offered Securities, the Investor Transferring Shareholder

Article		Particulars
		shall be free to offer the Investor Offered Securities to any third party ("**Investor Purchaser**") who: a. Purchases such Investor Offered Securities at a price which is at least 2.5% (two point five per cent) higher than the Promoter Offer Price; b. is not a Competitor; and c. executes a Deed of Adherence in the form set out in Part A of Schedule 4of the Shareholders' Agreement, pursuant to which such Investor Purchaser shall be entitled to all the rights and shall be bound by all obligations of the Investor under the Shareholders' Agreement.
111.		If the Investor Transferring Shareholder receives an offer for the purchase of the Investor Offered Securities from any Investor Purchaser, at a price that is higher than the Promoter Offer Price by less than 2.5% (two point five per cent) of the Promoter Offer Price ("**Investor Revised Price**"), the Investor Transferring Shareholder shall provide the Promoters with a written notice setting out such price offered by the Investor Purchaser, and the other terms if any, of the sale of the Investor Offered Securities to the Investor Purchaser ("**Investor Revised Price Notice**"). The Promoters shall have the right, exercisable by them by way of delivery of a written notice within 15 (fifteen) days from the date of receipt of the Investor Revised Price Notice by the Promoters, to purchase the Investor Offered Securities at a price equal to the Investor Revised Price. If the Promoters agree to purchase the Investor Offered Securities at such Investor Revised Price, then the Investor Transferring Shareholder shall be under the obligation to sell, and the Promoters will be under an obligation to buy, the Investor Offered Securities at the Investor Revised Price and on the terms set out in the Investor Revised Price Notice. In the event that the Promoters do not agree to purchase the Investor Offered Securities at the Investor Revised Price in terms of the Investor Revised Price Notice or the sale is not consummated within 30 (thirty) days of the Promoters receiving the Investor Revised Price Notice, then the Investor shall be free to sell the Investor Offered Securities to the Investor Purchaser, subject to Article110(b) and Article 110(c) hereinabove, pursuant to which such Investor Purchaser shall be entitled to all the rights and shall be bound by all obligations of the Investor under the Shareholders' Agreement.
112.		Closing The closing of any purchase of Investor Offered Securities by the Promoters shall be held at the registered office of the Company on the 15th (fifteenth) Business Day from the date of receipt of the Promoter Offer Election Notice by the Investor Transferring Shareholder, or at such other time and place as the parties to the transaction may agree. At such closing, the Investor Transferring Shareholder shall deliver certificates representing the Investor Offered Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depositary participant. Such Investor Offered Securities shall be free and clear of any Security Interest or Encumbrance, and the Investor Transferring Shareholder shall so represent and warrant and shall so represent and warrant and shall further represent and warrant that it is the legal, beneficial and record owner of such Investor Offered Securities. The Investor Transferring Shareholder shall not be required to make any other representations or warranties or provide any indemnification, save for in relation to the title of the Investor Offered Securities, in connection with the proposed Transfer of the Investor Offered Securities. The Promoters shall deliver at such closing, payment in full, of the Promoter Offer Price in accordance with the terms set forth in the Investor Transfer Notice subject to any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Investor Offered Securities to the Promoters. Any stamp duty or transfer taxes or fees payable on the transfer of the Investor Offered Securities shall be borne and paid by the Promoters purchasing the Investor Offered Securities, or the Investor Purchaser as the case may be.
113.	Investor 1's Tag along right	Tag Along Notice

Article		Particulars
		Other than in the case of such transfers as are expressly permitted under Articles78 and Articles 87 to 98, if any Transferring Shareholder proposes to make a Transfer of Equity Securities to a Transferee, and Investor 1 has either (i) elected not to exercise its First Offer Right under Article 99; or (ii) has failed to deliver a notice electing to exercise such First Offer Right within the Offer Period, then such Transferring Shareholder shall, at least 15 (fifteen) Business Days prior to the proposed Transfer, send a written notice ("**Tag-Along Notice**") to Investor 1, which notice shall state: (i) the name and address and identity of the proposed Transferee, (ii) the number of Offered Securities to be Transferred ("**Sale Securities**"), (iii) the amount and form of the proposed consideration for the Transfer, (iv) the other terms and conditions of the proposed Transfer, (v) a representation that no consideration, tangible or intangible, is being provided to the Transferring Shareholder or any of its Affiliates that is not reflected in the price to be paid to Investor 1 exercising its Tag-Along Rights hereunder, (vi) the number of Securities the Transferring Shareholder together with its Affiliates then owns, and (vii) an offer exercisable at the sole option of Investor 1, to include in such sale to the Transferee, the Tag-Along Securities as defined in Article 114 below. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Tag-Along Notice shall include a calculation of the fair market value of such consideration as determined by an internationally reputed investment bank chosen by the Investor, or one of the Big 5 Accounting Firms, where the fee of such investment bank or Big 5 Accounting Firm, as the case may be, shall be borne and paid by the Company. The total value of the consideration for the proposed Transfer of the Tag-Along Securities is referred to herein as the "**Tag-Along Price**".
114.		<u>Tag-Along Rights</u> Investor 1 shall have the right ("**Tag-Along Right**") but not the obligation to require the Transferring Shareholder to cause the Transferee in a Transfer of Securities to purchase from Investor 1 and/or its Affiliates or nominees that have acquired Equity Securities in the Company pursuant to Articles 71 to 77, Article 87, Article 99 to Article 105("**Investor Tagging Shareholder**"), for the same consideration per Sale Security and upon the same terms and conditions as are to be paid and given to the Transferring Shareholder and/or its Affiliates (except that the Investor Tagging Shareholder will not be required to make any representations or warranties except as provided in Article 117 or otherwise be liable for any indemnification obligations, save for in relation to the title of the Tag Along Securities), the following number of Investor 1 Securities ("**Tag-Along Securities**"): a. in the event that the proposed Transfer of the Sale Securities would not result in a change in Control of the Company, whether by way of a dilution or fall in the shareholding percentage of the Promoters in the Company below 50.1% (fifty point one per cent) or otherwise, then up to such number of Investor 1 Securities that bear the same proportion to the aggregate number of Investor 1 Securities that the number of Sale Securities bear to the aggregate number of Equity Securities held by the Transferring Shareholder; and b. in the event that the proposed Transfer of the Sale Securities does result in a change in Control of the Company, whether by way of a dilution or fall in the shareholding percentage of the Promoters in the Company below 50.1% (fifty point one per cent) or otherwise, then up to all the Investor 1 Securities.
115.		<u>Tag-Along Acceptance</u> In the event the Investor Tagging Shareholder elects to exercise the Tag-Along Right, the Investor Tagging Shareholding shall, within 30 (thirty) Business Days following the receipt of the Tag-Along Notice, deliver a written notice of such election to the Transferring Shareholder ("**Tag Acceptance Notice**"), which Tag Acceptance Notice shall state the number of Tag-Along Securities that it proposes to Transfer to such Transferee. Such notice shall be irrevocable and shall constitute a binding agreement by the Investor Tagging Shareholder to sell such Tag-Along Securities on the terms and conditions set forth in the Tag Acceptance Notice.

Article		Particulars
116.		<u>Non-Consummation</u> Where the Investor Tagging Shareholder has properly elected to exercise its Tag-Along Right and the proposed Transferee fails to purchase all the Tag Along Securities from the Investor Tagging Shareholder, the Transferring Shareholder shall not make the proposed Transfer of any of the Sale Securities, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of the Sale Securities.
117.		<u>Closing</u> The closing of any purchase of Tag Along Securities by the Transferee from the Investor Tagging Shareholder shall take place simultaneous with the closing of the purchase of Sale Securities by the Transferee from the Transferring Shareholder or at such other time and place as Investor 1 and the Transferee may agree in writing. At such closing, the Investor Tagging Shareholder shall deliver certificates representing the Tag-Along Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depository participant. Such Tag-Along Securities shall be free and clear of any Security Interest or Encumbrance, and the Investor Tagging Shareholder shall so represent and warrant and shall further represent and warrant that it is the legal, beneficial and record owner of such Tag-Along Securities. The Investor Tagging Shareholder shall not be required to make any other representations or warranties or provide any indemnification, save for in relation to the title of the Tag-Along Securities, in connection with the proposed Transfer of the Tag-Along Securities. Any Transferee purchasing the Tag-Along Securities shall deliver at such closing payment in full of the Tag-Along Price in accordance with the terms set forth in the Tag-Along Notice, an executed Deed of Adherence in the form set out in Part A of Schedule 4 of the Shareholders' Agreement (in the event that the Tag Along Securities do not represent all the Investor 1 Securities) and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Tag-Along Securities to the Transferee.
118.	Investor 2's tag along right	<u>Investor 2's Tag Along Notice</u> Other than: (i) in the case of such transfers as are expressly permitted under Article 78 and Article 87 to 98; and other than (ii) in case of a transfer by the Transferring Shareholder to Investor 1 in the event that Investor 1 has exercised its First Offer Right under Article 99 above and the Transferring Shareholder has accepted the offer made by Investor 1, if any Transferring Shareholder proposes to make a Transfer of Equity Securities to a Transferee (such Equity Securities proposed to be transferred by the Transferring Shareholder, "**Investor 2 Sale Securities**"), then such Transferring Shareholder shall, at least 15 (fifteen) Business Days prior to the proposed Transfer, send a written notice ("**Investor 2 Tag-Along Notice**") to Investor 2, which notice shall state: (i) the name and address and identity of the proposed Transferee, (ii) the number of Investor 2 Sale Securities, (iii) the amount and form of the proposed consideration for the Transfer, (iv) the other terms and conditions of the proposed Transfer, (v) a representation that no consideration, tangible or intangible, is being provided to the Transferring Shareholder or any of its Affiliates that is not reflected in the price to be paid to Investor 2 exercising its Tag-Along Rights hereunder, and (vi) an offer exercisable at the sole option of Investor 2, to include in such sale to the Transferee, the Investor 2 Tag Along Securities as defined in Article 119 below. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Investor 2 Tag-Along Notice shall include a calculation of the fair market value of such consideration as determined by an internationally reputed investment bank chosen by Investor 2, or one of the Big 5 Accounting Firms, where the fee of such investment bank or Big 5 Accounting Firm, as the case may be, shall be borne and paid by the Company. Provided that, in the event that Investor 1 has chosen an investment bank or Big 5 Accounting Firm under Article113 above, the fair market value for the purposes of the immediately preceding sentence shall be the fair market value calculated by the investment bank or Big Five Accounting Firm appointed by Investor 1. The total value of the consideration for the proposed Transfer of the Investor 2 Tag-Along Securities is referred to herein as the

Article		Particulars
		“**Investor 2 Tag-Along Price**”.
119.		<u>Investor 2 Tag-Along Rights</u>. Investor 2 shall have the right (“**Investor 2 Tag-Along Right**”) but not the obligation to require the Transferring Shareholder to cause the Transferee in a Transfer of Securities to purchase from Investor 2 and/or its Affiliates or nominees that have acquired Equity Securities in the Company pursuant to Articles 71 to 77 or Article 91 above (“**Investor 2 Tagging Shareholder**”), for the same consideration per Investor 2 Sale Security being transferred by the Transferring Shareholder and upon the same terms and conditions as are to be paid and given to the Transferring Shareholder and/or its Affiliates (except that the Investor 2 Tagging Shareholder will not be required to make any representations or warranties except as provided in Articles 122 or otherwise be liable for any indemnification obligations, save for in relation to the title of the Investor 2 Tag Along Securities) the following number of Investor 2 Securities (“**Investor 2 Tag-Along Securities**”): a. in the event that the proposed Transfer of the Investor 2 Sale Securities would not result in a change in Control of the Company, whether by way of a dilution or fall in the shareholding percentage of the Promoters in the Company below 50.1% (fifty point one per cent) or otherwise, then up to such number of Investor 2 Securities that bear the same proportion to the aggregate number of Investor 2 Securities that the number of Investor 2 Sale Securities bear to the aggregate number of Equity Securities held by the Transferring Shareholder; and b. in the event that the proposed Transfer of the Investor 2 Sale Securities does result in a change in Control of the Company, whether by way of a dilution or fall in the shareholding percentage of the Promoters in the Company below 50.1% (fifty point one per cent) or otherwise, then up to all the Investor 2 Securities.
120.		<u>Investor 2 Tag-Along Acceptance.</u> In the event the Investor 2 Tagging Shareholder elects to exercise the Investor 2 Tag-Along Right, the Investor 2 Tagging Shareholding shall, within 30 (thirty) Business Days following the receipt of the Investor 2 Tag-Along Notice, deliver a written notice of such election to the Transferring Shareholder (“**Investor 2 Tag Acceptance Notice**”), which Investor 2 Tag Acceptance Notice shall state the number of Investor 2 Tag-Along Securities that it proposes to Transfer to such Transferee. Such notice shall be irrevocable and shall constitute a binding agreement by the Investor 2 Tagging Shareholder to sell such Investor 2 Tag-Along Securities on the terms and conditions set forth in the Investor 2 Tag Acceptance Notice.
121.		<u>Non-Consummation.</u> Where the Investor 2 Tagging Shareholder has properly elected to exercise its Investor 2 Tag-Along Right and the proposed Transferee fails to purchase all the Investor 2 Tag-Along Securities from the Investor 2 Tagging Shareholder, the Transferring Shareholder shall not make the proposed Transfer of any of the Investor 2 Sale Securities, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of the Investor 2 Sale Securities.
122.		<u>Closing</u>. The closing of any purchase of Investor 2 Tag-Along Securities by the Transferee from the Investor 2 Tagging Shareholder shall take place simultaneous with the closing of the purchase of Investor 2 Sale Securities by the Transferee from the Transferring Shareholder or at such other time and place as Investor 2 and the Transferee may agree in writing. At such closing, the Investor 2 Tagging Shareholder shall deliver certificates representing the Investor 2 Tag-Along Securities, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depository participant. Such Investor 2 Tag-Along Securities shall be free and clear of any Security Interest or Encumbrance, and the Investor 2 Tagging Shareholder shall so represent and warrant and shall

Article		Particulars
		further represent and warrant that it is the legal, beneficial and record owner of such Investor 2 Tag-Along Securities. The Investor 2 Tagging Shareholder shall not be required to make any other representations or warranties or provide any indemnification, save for in relation to the title of the Investor 2 Tag-Along Securities, in connection with the proposed Transfer of the Investor 2 Tag-Along Securities. Any Transferee purchasing the Investor 2 Tag-Along Securities shall deliver at such closing payment in full of the Investor 2 Tag-Along Price in accordance with the terms set forth in the Investor 2 Tag-Along Notice, an executed Deed of Adherence in the form set out in Part A of Schedule 4 (in the event that the Investor 2 Tag-Along Securities do not represent all the Investor 2 Securities) and any requisite transfer taxes. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Investor 2 Tag-Along Securities to the Transferee.
123.	Procedure as to Transfer of Shares	The instrument of transfer of any shares in the Company shall be executed both by 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. The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under of Act.
124.		The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate relating to the shares and such other evidence as the Company may require to prove to the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board of directors that an instrument of transfer signed by the transferor and transferee has been lost, the Company may, if the Board of Directors think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of the transfer, register the transfer on such terms as to indemnity, as the Board of Directors may think fit.
125.		An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register name of the transferee in the same manner and subject to the same conditions as if the application for registration were made by the transferee.
126.		For the purpose of Article 125notice to the transferee shall be deemed to have duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been delivered in the ordinary course of post.
127.		Nothing in these Articles shall prejudice any power of the Board to register as a share holder any person to whom the right to any share has been transmitted by operation of law.
128.		Nothing in these Articles shall prejudice the powers of the Board of Directors to refuse to register the transfer of any shares, to a transferee whether a member or not.
129.	Form of Transfer	The Shares in the Company shall be transferred by an instrument in writing in the prescribed form, duly stamped and in the manner provided under provisions of the Act and any modification thereof and the Rules prescribed thereof.
130.	Transferee's Right to Certificate without fee	Every endorsement upon the certificate of any shares in favour of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorised by the Board on its behalf. In case any transferee of a share be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up for cancellation every old or existing certificate which is to be replaced by a new one.
131.		Notwithstanding any other provisions to the contrary in these presents no fee, shall be charged for any of the following, viz., a. for registration of transfer of shares and debentures; or for transmission of

Article		Particulars
		shares and debentures; b. for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading; c. for sub-division of renounceable 'Letters of Right'; d. for issue of certificates in replacement of those which are old, decrepit or worn out, or where the pages on the reverse for recording transfers have been fully utilized; e. for registration of any power of attorney, probate, letters of administration or similar other documents.
132.	Register of Members	The Company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of its members and every transfer or transmission of any share and all other particulars of shares as required by the Act to be entered in such Register.
133.	Custody of Transfer Deeds	The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the company for a period of 6 years or more.
134.	Closure of Register of Members	The Board of Directors may after giving not less than 7 days previous notice by advertisement in some news paper circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time.
135.	Transmission of Registered Shares	The Executors or administrators of a deceased member, (not being one of several joint holders) shall be the only person recognised by the Company, as having any title to the Shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be only persons recognised by the Company as having any title to or interest in such shares .Provided that if the member should have been a member of a joint Hindu Family, the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belong to the joint family may recognise the survivors or the Kartha thereof, as having title to the shares registered in the name of such members. Provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letter or administration or other legal representation upon such terms as to indemnity or otherwise as to the Board may deem just.
136.		Nothing in Article 135shall release the estate of a deceased joint holder from any liability in respect of any shares which were jointly held by him with other persons.
137.	Rights and Liabilities of Legal Representative	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided elect either a. to be registered himself as holder of the shares; or b. to make such transfer of the share as the deceased or insolvent member could have made.
138.		The Board shall, in their case, have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.
139.	Notice of election by Legal Representative	If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects.
140.		If the person, aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
141.		All the limitations, restrictions and provisions of these regulations to the rights of

Article		Particulars
		transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer, were a transfer signed by that member.
142.		A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
143.	Company's Right to Register Apparent Legal Owner	The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable rights as referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it or any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have entered or referred to in the Books of the Company, but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto if the Board shall think fit. Subject to the provisions of the Act
144.	Notice for Non Payment of calls	If a member fails to pay any call, or installments of a call, on the day appointed for thepayment thereof, the Board of Directors may at any time thereafter during such time as any part of the call or installment remains unpaid, serve notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued.
145.	Form of Notice of Forfeiture	The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
146.	Board's Right to Forfeit if requirements of Notice are not complied with	If the requirements of any such notice as aforementioned are not complied with any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a Resolution of the Board of Directors to that effect, such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.
147.	Sale of Forfeited Shares	A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit, and at any time before a sale or disposition as aforesaid, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.
148.	Liability in Respect of Forfeiture	A person whose shares have been forfeited shall cease to be a member In respect of the forfeited shares, but shall notwithstanding the forfeiture, remain liable to pay and shall forthwith pay the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares but his liability shall cease if and when the Company shall have received payment in full of the nominal amount of shares whether legal proceeding for the recovery of the same had been barred by limitation or not.
149.	Declaration of Forfeiture	A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and receipt of the company for the consideration, if any given for the share on the sale

Article		Particulars
		or disposition thereof, disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be effected by way of irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
150.	Non - payment at fixed times not to preclude forfeiture	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal amount of the share or by way of premium, or otherwise as if the same had been payable by virtue of a call duly made and notified.
151.	Surrender of Shares	The Board may accept from any member the surrender on such terms and condition as may be agreed of all or any of his shares.
	CONVERSION OF SHARES INTO STOCK	
152.	Conversion of Shares	The Company may, by ordinary resolution convert all or any of it’s fully paid up shares of any denomination into stock and vice versa.
153.	Transfer of stock	The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations 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.
154.	Rights of stock holders	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.
155.	Regulations applicable to shares (paid-up) also apply to stock or stock holders	Such of the regulations of the Company (other than those relating to the share warrants) as are applicable to paid-up shares shall apply to stock and the words 'share' and 'share holder' in those regulations shall include 'stock' and 'stock-holder' respectively.
	ALTERATION OF CAPITAL	
156.	Alterations and consolidations of capital	The Company may from time to time but subject to the provisions of the Act, alter the conditions of its Memorandum as follows, subject to Articles193to 197: a. increase its shares capital by such amount as it thinks expedient by issuing new shares; b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; c. convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denominations; d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount, if any unpaid on each reduced shares still be the same as it was in the case of the share from which the reduced share is derived; e. cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled; f. the resolutions whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have same preference or special advantage as

Article		Particulars
		regards dividend, capital, voting or otherwise over or as compared with the others.
157.	Application of provisions to new shares	The new shares shall be subject to the same provisions with reference to the payment of calls lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital**.**
158.	Reduction of capital	The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by Law, subject to Articles 193 to 197: a. its share capital; b. any capital redemption reserve account; or c. any share premium account.
		COVENANTS
159.	Information rights	Each of the Company, the Subsidiaries and Associate Companies shall, and the Promoters shall cause each of the Company the Subsidiaries and Associate Companies, to: a. On a monthly basis: i. deliver to the Investors, operational and financial MIS, in a form and manner satisfactory to Investor 1, which MIS shall be delivered on or prior to the 15th (fifteenth) day of the calendar month immediately following the month in respect of which the information is provided, and on and from October 2014 onwards, on or prior to the 8th (eighth) day of the calendar month immediately following the month in respect of which the information is provided, and which MIS shall include details of any breach by the Company, and each Subsidiary and Associate Company, of any Law, which violation in any respect may have or had a Material Adverse Effect on the Company or such Subsidiary and Associate Company, or with respect to the Investors (in relation to the Investor Securities) or with respect to the Investor Director; ii. hold monthly meetings, to review the operational and financial performance of all the hospitals during the immediately preceding month, which meetings shall be held on or prior to the 20th (twentieth) day of the calendar month immediately following the month under review, and on and from October 2014 onwards, on or prior to the 12th (twelfth) day of the calendar month immediately following the month under review; iii. deliver to the Investors, details of any legal / Tax / arbitration notices received by the Company, any of the Subsidiaries or Associate Companies, where the underlying demand exceeds, in the aggregate, INR 20,000,000 (Rupees twenty million), within 30 (thirty) days of the close of the preceding calendar month. b. On a quarterly basis, deliver to the Investors: i. within 30 (thirty) calendar days after the end of each quarter, unaudited statements of income and cash flows of the Company, the Subsidiaries and Associate Companies for such quarter and for the period from the beginning of the fiscal year to the end of such quarter, and a balance sheet of the Company, the Subsidiaries and Associate Companies as at the end of such quarter. It is clarified that this information shall be provided within the said timelines from the quarter ending June 30, 2014. The unaudited statements of income and cash flows shall be prepared as per the applicable accounting standards and policies respectively adopted by the Company, each Subsidiary and Associate Company, for the purpose of its accounts and the process of preparation of such unaudited financial statements will have the same rigor and

Article		Particulars
		details as if the accounts were being prepared for the purpose of annual audit; ii. within 30 (thirty) calendar days after the end of each quarter, a break-up of payables and receivables along with the ageing characteristics of such receivables, including with respect to receivables which have been due and outstanding for more than 90 (ninety) days; iii. compliance certificates pertaining to the various laws applicable to the business of the Company, and each Subsidiary and Associate Company, within 30 (thirty) calendar days from the end of the preceding quarter. iv. details of capital expenditure incurred during the quarter, highlighting any cost and time overrun. c. On an annual basis: i. within 90 (ninety) days after the end of each Financial Year, audited statements of income, cash flows and shareholders' equity of the Company, and each Subsidiary and Associate Company, for such year and a balance sheet as of the end of such year and accompanied by the report of one of the Big 5 Accounting Firms; ii. within 45 (forty five) days prior to the end of each Financial Year, an operating / Business Plan and budget for the next year including operating and capital budgets, of the Company, and each Subsidiary and Associate Company, which shall be finalized with Investor 1Consent and approved by the Board (in the case of the Company) or the relevant board of directors (in the case of any Subsidiary or Associate Company), and such other reasonable information requested by the Investors; and iii. annual direct and indirect Tax Returns within 30 (thirty) calendar days following filing the same with the relevant Tax Authorities. d. Others: i. minutes of all meetings of the Board, Committee, and Shareholders within 7 (seven) days after such meetings; ii. details of significant events impacting the Company, and each Subsidiary and Associate Company, as and when they occur, including the establishment, acquisition or formation of any new Subsidiary, Associate Company or joint venture; and iii. all other relevant information including Business Plans, capital expenditure budgets, changes in key management and management reporting information not explicitly mentioned herein.
160.		<u>Reporting Systems</u> The Company shall provide for appropriate information reporting systems in order to give effect to theseArticles159 to 167.
161.		<u>Breach and Litigation Notice</u> The Company shall and the Promoters shall cause the Company to give the Investors all material information in relation to: a. any known litigation, or claim which may have or had a material adverse effect on the Investors, the Investor Director or the Company, each Subsidiary and Associate Company; and b. any material dispute or notice of any material dispute with a major customer or supplier of the Company, and each Subsidiary and Associate Company.

	Article	Particulars
162.		Access Rights From the Effective Date, the Company shall give, and shall procure that each Subsidiary and Associate Company gives, reasonable access to the Investors and its authorized Representatives (including legal counsel, accountants, auditors and other professional advisors) to visit and inspect all properties, Assets, corporate, financial and other records of the Company, any Subsidiary and Associate Company, upon reasonable notice. The Company shall provide or cause to be provided in respect of the Company and each Subsidiary and Associate Company such periodic information within its possession or control relating to the business affairs, operations and financial position of the Company as may be required by the Investors, and shall procure that the Investors and theirauthorized Representatives (including legal counsel, accountants, auditors and other professional advisors) be permitted to hold discussions with the Key Officers and other key management personnel relating to the business affairs, operations and financial position of the Company, as may be required by the Investors.
163.		To the extent consistent with applicable Law, (and with respect to events which require public disclosure, only following the public disclosure thereof through applicable securities law filings or otherwise), the Company shall inform, and shall procure that each Subsidiary and Associate Company procures, the Investors in advance with respect to any significant corporate actions.
164.		Insurance The Company shall keep, and shall ensure that each Subsidiary and Associate Company keeps, their Assets insured at all times and maintain insurance policies in a sufficient amount and with such coverage as are generally maintained by responsible companies in the same industry.
165.		The Company shall ensure, and shall procure that each Subsidiary and Associate Company ensures, that the D&O Policy obtained for the Investor Directors is maintained in a sufficient amount and with such coverage as is generally maintained by responsible companies in the same industry.
166.		Arms Length Basis The Parties agree that all continuing Contracts and arrangements between the Company and its Promoters, or the Subsidiaries or Associate Companies or other Related Parties shall be approved and conducted on an arm's length basis and in accordance with applicable Law. All such arrangements between the Company and its Promoters and other Related Parties shall be certified as having been concluded on an arm's length basis, by the statutory auditors of the Company, in accordance with applicable Law. With respect to such arrangements, the Company, and each Subsidiary and Associate Company, shall ensure that a set of policies and procedures are instituted to ensure best governance practices. The Parties agree that at every Board Meeting, the Directors shall be provided with a detailed summary of transactions entered into during the previous quarter between the Company and its Promoters and other Related Parties.
167.		Ethical Business Practices The Promoters, the Company, and its respective officers, directors, employees and agents, each Subsidiary and Associate Company, and their respective officers, directors, employees and agents shall engage only in legitimate business and ethical practices in commercial operations and in relation to Governmental Authorities and none of the Promoters and none of the Company, the Subsidiaries or any Associate Companies, or any of their respective officers, directors, employees or agents shall take any action in violation of the Prevention of Corruption Act, 1988, or any other applicable anti-bribery or anti-corruption law.
168.	Non-Compete	Non-Compete: The Restricted Promoters shall not directly, indirectly or beneficially, by themselves or in association with or through any Person without the prior written consent of Investor 1: a. commence, establish, engage in, invest in, carry on, own, manage, operate, join, assist; and/or b. canvass or solicit business, customers, distributor, supplier, dealer, or agents for; and/or

Article		Particulars
		c. provide any know-how or technical assistance to, any Person that (i) is engaged in any business, operations or activities that are similar to or compete with the Business, any venture related to or associated with the healthcare sector or any business, activities or operations, (ii) offers the same or similar products / services to the products / services offered by the Company, or any Subsidiary or Associate Company, or (iii) in any other manner competes with the Company or any Subsidiary or Associate Company in relation to the Business.
169.		The Promoters agree that any future expansion or businesses to be undertaken in the healthcare sector shall be undertaken by the Company, and not in any Subsidiary or Associate Company, or any other company in which they are interested.
170.		In addition to the restrictions imposed in these Articles 168to 173, the Restricted Promoters shall ensure that (a) the terms of employment / appointment of the Key Officers, and the members of key management / executive team of the Company, or any Subsidiary or Associate Company, shall contain terms restricting the ability of such Persons to advise or participate in or be engaged, concerned with or interested whether in a management or executive capacity or otherwise and whether as a partner, principal, agent, executive director, affiliate, employee or consultant, or to enter into any agreement or arrangement with, any Person other than the Company or in any other undertaking engaged in the Business; and (b) the terms of the employment / appointment of the Key Officers or any members of members of key management / executive team of the Company, or any Subsidiary or Associate Company referred to in (a) above shall not be modified, amended or deleted without the prior written consent of Investor 1.
171.		The Restricted Promoters shall devote their full time and attention to the Business of the Company and such theRestricted Promoters and the Company shall use best efforts to ensure that neither the Restricted Promoters nor the Company take any action that would result in the Key Officers, and the members of key management / executive team of the Company not devoting their entire working time and attention to the Business of the Company, nor shall any of the Restricted Promoters or the Company require any of the Key Officers or any members of key management / executive team of the Company to devote any of their working time and attention to any business other than the Business of the Company.
172.		The Company and the Group Companies shall be the exclusive vehicles through which the Promoters pursue all existing and future activities related to the Business, any venture related to or associated with the healthcare sector or any business, activities or operations that are similar to or compete with the Business, unless such requirement has been specifically waived by way of an Investor 1 Consent.
173.		Any investment, funding, execution of any agreement, or any other action whatsoever by the Promoters in connection with any business or activities similar to or competing with the Business shall require an Investor 1 Consent.
174.	Non-Solicitation	The Restricted Promoters shall not, whether directly or indirectly, by themselves or in association with or through any Person, in any manner whatsoever (whether in their own capacity or in conjunction with or on behalf of any Person, as an employee, adviser, partner or shareholder of or consultant to any other Person, firm or company), do or undertake or attempt to do or undertake any of the following activities: a. Tender for, canvass or solicit or attempt to tender for, canvass or solicit the business of or employment of any current corporate client or customer of the Company, any Subsidiary or Associate Company; b. Induce or attempt to induce any current corporate client, customer or supplier of the Company any Subsidiary or Associate Company, to cease to deal with the Company, any Subsidiary or Associate Company, or otherwise interfere with the relationship between such corporate client, customer or supplier and the Company, any Subsidiary or Associate Company;

Article		Particulars
		c. Hire or solicit the employment of any key officer, Director, or employee of the Company, any Subsidiary or Associate Company; d. Induce or attempt to induce any key officer, Director or employee of the Company, any Subsidiary or Associate Company, to leave the employment of the Company, any Subsidiary or Associate Company, or otherwise interfere in any manner with the contractual, employment or other relationship of such key officer, Director or employee of the Company, any Subsidiary or Associate Company, with the Company, any Subsidiary or Associate Company; or e. Assist, influence, encourage or induce such action in any manner whatsoever.
175.	Reasonableness	The Restricted Promoters hereby agree, acknowledge and confirm, on behalf of themselves and the Restricted Promoters, that: a. The transaction contemplated hereunder is a transfer of economic interest in the Company to the Investors on the basis of a valuation agreed upon between the Parties and the obligations under theseArticles168to178 are integral and necessary for protecting the value of the Company on the basis of which the transactions contemplated in the Transaction Documents have been valued by all Parties. b. By holding any Investor Securities under these Articles, the Investor will own and/or enjoy all of the economic and other benefits of the Business of the Group and the goodwill in respect thereof commensurate with its shareholding. c. The restrictions contained in these Articles are reasonable and justified in light of the transactions contemplated under these Articles, and are not greater than necessary for the legitimate preservation of the value of the Group and protection of the Business, goodwill and/or other interests of the Group. d. By entering into the covenants of non-compete and non-solicitation as contained in Articles 168 to 173 and Article 174 above, their livelihood is not impaired.
176.		In the event that any of the restrictions contained in these Articles168to 178are rendered void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in these Articles 168 to 178 valid and effective.
177.		Notwithstanding the limitation of this provision by any Law for the time being in force, the Restricted Promoters undertake to at all times observe and be bound by the spirit of theseArticles 168 to 178provided, however, that on the revocation, removal or diminution of the Law or provisions, as the case may be, by virtue of which the restrictions contained in these Articles 168 to 178were limited as provided hereinabove, the original restrictions would stand renewed and be effective to their original extent, as if they had not been limited by Law or provisions revoked.
178.		The Restricted Promoters agree and acknowledge that the covenants and obligations with respect to non-compete and non-solicit as set forth in this these Articles 168 to 178relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations will cause the Group irreparable injuryAnd the Restricted Promoters agree that the Group and/or Investor 1 shall be entitled to an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the Restricted Promoters and/or their Affiliates from committing any violation of the covenants and obligations contained in this these Articles 168 to 178 and these injunctive remedies are cumulative and are in addition to any other rights and remedies that the Company and/or Investor 1may

Article		Particulars
		have in law or in equity.
		SHARE WARRANTS
179.	Issue of share warrant	The Company may issue share warrants subjects to, and in accordance with provisions of Act and accordingly, the Board may at its discretion, with respect to any share registered which is as 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 on receiving the certificate if any of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time prescribe, issue a share warrant and may provide by coupons or otherwise for the payment of the future dividends on the shares specified in the share warrant.
180.		A share warrant shall entitle the bearer thereof of the shares therein specified, and the shares may be transferred by the delivery of the share warrant and the provisions of the Articles of the Company with respect to transfer and transmission of share shall not apply thereto.
181.		The bearer of share warrant shall, on surrender of the warrant to the Company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the "Register of Members' in respect of the shares included in the warrant.
182.	Requisition of meeting by Bearer of Share Warrants	The bearer of a share warrant may at any time deposit the warrant at the Registered Office of the company, and so long as the warrant remains so deposited, the depositor shall have the name right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of the two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognized as depositor of the share warrant. The Company shall on two days written notice, return the deposited share warrant to the depositor.
183.	Disabilities of holder	Subject to herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
184.		The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of members as the holder of the shares included in the warrant and he shall be a member of the Company.
185.	Renewal	The Board may from time to time, make rules as to the terms on which {if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original warrant or coupon.
		PROCEEDINGS AT GENERAL MEETING
186.	Shareholders’ Meetings	General Meetings An annual general meeting of the Shareholders of the Company shall be held within six (6) months of the end of each financial year of the Company. Subject to the foregoing, the Board or the Parties may convene an extraordinary general meeting of the Shareholders of the Company whenever they deem appropriate.
187.		At least 21 (twenty one) days’ prior notice of a Shareholders’ Meeting (unless any consent for a shorter notice period is obtained in accordance with applicable Law) shall be given to the Shareholders and the Investors setting out an agenda identifying in reasonable detail the matters to be discussed.
188.		The quorum for the Shareholders’ Meeting shall be in accordance with the Act and Article 59 hereinabove.
189.		Contents of Notice The notice to Shareholders shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.
190.		Chairman for General Meeting

Article		Particulars
		The chairman of the Board shall be the chairman for all general meetings. In the absence of the chairman at any meeting, the Directors present may elect one of them to chair the meeting in question.
191.		Proxies Any shareholder of the Company may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such shareholder's behalf, provided that the power given to such proxy must be in writing.
192.		Decision Making Except as otherwise required by the applicable Law and as provided in Articles 193 to 197 hereunder, all decisions of the Shareholders of Company shall be made by simple majority (on a Fully Diluted Basis) of the Shareholders at a duly convened meeting at which a quorum is present.
193.	Reserved matters	The Company and its Promoters, Promoter Directors, the Board, Key Officers, Committees, Committee members, Other Shareholders, employees, agents or any of their respective delegates shall not and the Promoters shall procure that none of the Company nor any of its Promoter Directors, Key Officers, Committees, Committee members, employees, agents or any of their respective delegates shall, without an Investor 1 Consent obtained in accordance with this Article 193, take or resolve to take or agree to commit to take any of the actions set forth in Article 197("**Reserved Matters**") whether at a Board Meeting, Committee Meeting, Shareholders' Meeting, by circular resolution, postal ballot, e-voting or otherwise.
194.		The agenda for any Board Meeting, Committee Meeting or Shareholders' Meeting at which a Reserved Matter is proposed to be discussed ("**Subject Meeting**") shall specify in reasonable detail the action in relation to which consent is being sought ("**Proposed Action**") and necessary background and other information and/or supporting documents pertaining to such action, and the Company shall provide a copy of such notice, agenda and supporting documents to Investor 1. In the event that an Investor 1 Consent has not been obtained prior to the date of the Subject Meeting or if at least 1 (one) Investor Director (in the case of a Board Meeting or Committee Meeting) or 1 (one) authorized representative of Investor 1 (in the case of a Shareholders' Meeting) is not present at the Subject Meeting, then the matter shall not be discussed at the Subject Meeting, and the Proposed Action shall not be undertaken. Any Proposed Action may only be taken upon the receipt of an Investor 1 Consent in respect of the Proposed Action. In relation to any Reserved Matter, any Investor Director may require that such matter be considered in a Shareholders' Meeting instead of at a Board Meeting or Committee Meeting. In such a situation, neither the Board nor the relevant Committee shall be authorized to take any decision in respect such Reserved Matter, and must refer such Reserved Matter to the Shareholders of the Company. For clarity, an Investor 1 Consent will be required at such Shareholders' Meeting before the Company can be authorized to act in relation to such Reserved Matter.
195.		Without prejudice to the foregoing, the Company shall procure that any actions taken or resolutions passed or commitments made in breach of these Articles 193 to 197shall be void ab initio, and all such actions, resolutions and commitments shall be unwound or terminated as soon as practicable.
196.		The provisions of these Articles 193to 197shall apply mutatis mutandis in relation to any action taken by or in respect of any Subsidiary of the Company that constitutes a Reserved Matter, and the Promoters and the Company shall procure that none of the Subsidiaries, Associate Companies or any of their respective Directors, Key Officers, committees, committee members, employees, agents or any of their respective delegates shall, without an Investor Consent obtained in accordance with these Articles 193 to 197, take or resolve to take or agree to commit to take any action in respect of any Reserved Matter.
197.		The following actions in respect of the Companies and all Subsidiaries and Associate Companies of the Company shall constitute Reserved Matters for the purposes of these Articles 193 to 197, and all references to the "Company" in this Article197 shall be deemed to include references to all Subsidiaries and Associate Companies of the Company:

Article		Particulars
		a. Commencement of any new line of business, which is unrelated to the Business, as conducted on the Execution Date; b. Acquisition of equity shares, equity securities or Assets of other businesses, creation of joint ventures / partnership, mergers, de-mergers and consolidations, investments in any other entities; c. Divestment of investments, equity shares or equity securities held by the Company, including in any Subsidiary or Associate Company; d. Creation or establishment of, acquisition of or investment in Subsidiaries or Associate Companies or any other investments (other than short term liquid investments and other investments in the normal course of business) including acquisition of any division, corporation, entity or business or land for any purpose; e. Any transactions with Related Parties, agreements or arrangements between the Company and the Promoters, Other Shareholders or their Affiliates and any transaction, agreement or arrangement between the Company, and any entity or firm, in which any of the Promoters, Other Shareholders or their Affiliates, individually or collectively, has a financial interest of more than 26% (twenty six percent); f. Amendments or any proposal to amend the Charter Documents of the Company; g. Any change in the composition of the Board or number of Directors that may be appointed to the Board of Directors of the Company; h. Changes to accounting or Tax policies or practices of the Company; i. Creating any Encumbrance or proposing the acquisition, sale, lease, transfer, license or in any other way proposing to dispose off any Assets or undertaking of the Company, any Subsidiaries or Associate Companies or substantially all the Assets or undertaking of the Company any Subsidiaries any Subsidiaries or Associate Companies, save and except Encumbrances created in favour of banks and financial institutions or non-banking companies, which are created solely for the purpose of securing financing (fund and non-fund based) for the Company for the purpose of its Business and in the Ordinary Course of Business and subject to an overall limit of INR 50,000,000 (Rupees fifty million); j. To acquire, trade or sell shares, securities, debentures or bonds in any other company or any activity relating to derivative transactions; k. Any resolution to appoint or re-appoint or remove statutory and/or internal auditors for the Company, its Subsidiaries or Associate Companies; l. Winding up and / or liquidation of the Company, its Subsidiaries or Associate Companies; m. Divestment of or sale of Assets or businesses, lease, license or exchange or pledge in any other way proposing to dispose off any Assets or undertaking of the Company, its Subsidiaries or Associate Companies, in excess of 5% (five percent) of the net fixed Assets of that Financial Year for individual transactions, or 10% (ten percent) of the net fixed Assets of that financial year on a cumulative basis, in any financial year or substantially all of the Assets or undertaking or the Company, its Subsidiaries or Associate Companies; n. Any agreement, arrangement, transaction or assignment of intellectual

Article		Particulars
		property rights including those relating to copyrights, trademarks, patents and designs; o. The appointment or removal and determination of the terms of employment of the Chief Executive Officer and the Chief Financial Officer and other Key Officers and key management personnel and any significant changes in the terms of their employment agreement; p. Shifting of the registered office of the Company, its Subsidiaries or Associate Companies; q. Any increase in the issued, subscribed or paid up equity or preference share capital of the Company, its Subsidiaries or Associate Companies, or re-organization of the share capital of the Company, its Subsidiaries or Associate Companies, including new issue of shares or other securities of the Company, its Subsidiaries or Associate Companies or any preferential issue of shares or redemption of any shares, issuance of optionally or compulsorily convertible debentures or warrants, or grant of any options over its shares by the Company, its Subsidiaries or Associate Companies; r. Approval of any new scheme or plan for grant of employee stock options, or sweat equity shares to any person or entity, including any modification to any new or existing scheme or plan; s. For raising of fresh debt that takes the net debt / net worth ratio of the Company on standalone or consolidated basis beyond 1.32:1 during any financial year, and for its Subsidiaries or Associate Companies on standalone basis beyond 1.32:1 during any financial year; For clarity, net debt shall be calculated as total debt minus free cash balance not placed in deposits as security for fund and non-fund based working capital facilities or earmarked for meeting any business requirements; t. Buy back or redemption of any Equity Securities by the Company, its Subsidiaries or Associate Companies; u. Declaring or paying any dividends on or make any other distributions (whether in cash, shares, securities or property) in respect of the share capital of the Company, its Subsidiaries or Associate Companies, or of any split, combination or reclassification of any of its Equity Securities; v. Establishment of committees, sub-committees of the Board and appointment, change of members of such committees, sub-committees and /or setting of terms of reference or delegations of authorities to such Committees and sub-committees; w. Capital expenditure, including constructions and leases, more than INR 15,000,000 (Rupees fifteen million) per annum in excess of the levels agreed upon in the annual budget; x. Giving of security for or guaranteeing the debts of any person other than the Company, its Subsidiaries or Associate Companies; y. The formation or operation by the Company, its Subsidiaries or Associate Companies, of any new business, or subsidiary, or collective investment vehicle, or participation/ investment in any unincorporated joint venture; z. The prosecution or settlement of legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed INR 10,000,000 (Rupees ten million) within any Financial Year;

Article		Particulars
		aa. Changing the rights and preferences of Equity Securities; bb. Any creation or change of any management incentive plan of the Company, its Subsidiaries, or Associate Companies, including ESOPs (at a price per Equity Share which will be equal to or greater than the Subscription Price); cc. Significant changes in the Business, including any expansion, entry into new Business, acquisition of any brands or other business, entry into new geographies, investment in new businesses and projects, including in new hospitals; dd. Approval of the Business Plan and annual financial budget of the Company, its Subsidiaries and Associate Companies; ee. Personal guarantee by the Promoters towards setting up of new hospitals and by the Promoters towards setting up of any other business; ff. Any commitment or agreement to do any of the foregoing; and For the avoidance of doubt, it is clarified that all financial limits mentioned in this Article 197are indicated on an aggregate basis across the Company and all Subsidiaries, SPVs and Joint Ventures.
MODES OF EXIT		
198.	IPO Covenant	The Company and the Promoters agree that it is their intention to undertake a Qualified IPO, or an IPO acceptable to Investor 1 of the Company at the earliest possible time. The Company and the Promoters also agree that it is their intention to facilitate an exit for the Investors and accordingly acknowledge that undertaking a Qualified IPO will provide liquidity for the Investor Securities held by the Investors, thereby constituting a means for an exit for the Investors. In view thereof, the Company shall, and the Promoters shall cause the Company to, complete a Qualified IPO by the Cut-Off Date, in accordance with applicable Law and all applicable guidelines and regulations issued by SEBI from time to time ("**SEBI Regulations**"). An IPO that does not fulfil the conditions for a Qualified IPO shall be considered a Qualified IPO only if Investor 1 has provided Investor 1 Consent to such an IPO, and upon the receipt of such Investor 1 Consent, such IPO shall be deemed to be a Qualified IPO. The Parties agree that the obligations of the Company to undertake, and the obligations of the Promoter to procure that the Company undertakes, a Qualified IPO or an IPO acceptable to Investor 1 shall be valid and in force and effect for as long as the Investors hold such any Investor Securities in the Company.
199.		The Promoters shall cause a Qualified IPO to be consummated by way of listing of the Equity Shares of the Company on one or more Recognized Stock Exchanges.
200.		Offer for Sale Subject to applicable Law and unless otherwise agreed to by Investor 1 in writing, the Qualified IPO shall have an offer for sale component such that Investors shall have the right (but not the obligation) to offer, as a part of such offer for sale, up to all of the Investor Securities then held by the Investors and their Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87, Article 91, or Articles 99 to 105, on the same terms and conditions, including the price, on which the Equity Shares of the Company are listed in the Qualified IPO. The Promoters and the Company shall undertake all necessary steps to ensure that such Investor Securities are offered for sale in the Qualified IPO.
201.		Notwithstanding anything contained herein, in any offer for sale undertaken pursuant to a Qualified IPO, the Investors, their Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87 and Article 91, or Articles 99to 105 shall have the first right to tender the inter se Pro Rata Share of the Investor Securities held by them in the Company, calculated on a Fully Diluted Basis. In the event that either (i) Investor 1, its Affiliates and nominees

Article		Particulars
		who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87, or Articles 99 to 105; or (ii) Investor 2, its Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 91 do not exercise its right to offer all or part of its Pro Rata Share, the other Investor (which Investor has exercised its right) shall have the right to offer such additional Investor Securities held by it (upto all the Investor Securities held by it) equivalent to the number of unoffered Investor Securities by the other Investor (which Investor has not exercised its right). Subject to the foregoing, any additional Investor Securities, held by the Investors, their Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87 and Article 91, or Articles 99 to 105 in the Company that the Investors, their Affiliates or such nominees (as the case may be) are desirous of offering as part of an offer for sale pursuant to a Qualified IPO, may be offered by the approval of the IPO Committee.
202.		The Promoters undertake that they shall offer such number of their Equity Shares for sale pursuant to the Qualified IPO as may be required to meet the minimum offer requirement under Law for listing of the Equity Shares of the Company in a Qualified IPO, if such minimum offer requirement is not fulfilled after taking into account the number of Investor Securities proposed to be offered by the Investors, their Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87 and Article 91, or Articles 99 to 105 for sale in accordance with Article200 and Article201 above. Any interest earned by the Company on account of the proceeds of the Offer for Sale in respect of the Shares offered by the Investors, their Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87, Article 91, or Articles 99 to 105 shall be paid to the Investors, their Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87, Article 91, or Articles 99 to 105, in proportion to the Shares offered for sale by each of them.
203.		Subject to applicable Law, in the event of the Company pursuing a Qualified IPO in the international capital markets, the Investors shall be provided with the customary registration rights.
204.		Mode of Qualified IPO The Parties agree that in any Qualified IPO such percentage of Equity Shares as recommended by the IPO Lead Advisor and acceptable to Investor 1 and the Promoter ("**Minimum IPO Fresh Issue Size**") shall be from a fresh issuance of Equity Shares by the Company. The remainder shall be referred to as the "**Balance IPO Issue Size**".
205.		The Parties further agree that the Balance IPO Issue Size may be met by an offer for sale by the Investors, in their sole discretion, of such number of Equity Shares held by the Investors (on a Fully Diluted Basis) as each of the Investors may determine in each of their sole discretion; provided that the Balance IPO Issue Size is sufficient to permit the sale by: (i) Investor 1, its Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 87, or Articles 99 to 105 of at least 50% (fifty per cent) of the Investor 1 Securities; and (ii) Investor 2, its Affiliates and nominees who have acquired Equity Securities pursuant to Articles 71 to 77, Article 91 of at least 50% (fifty per cent) of the Investor 2 Securities.
206.		If, all of the Equity Shares (on a Fully Diluted Basis) then offered by the Investors (in accordance with Article 205 above) are insufficient to constitute the Balance IPO Issue Size, the shortfall shall be met either (i) by offering additional new Equity Shares in the Qualified IPO, or (ii) through an offer for sale, by the Promoters or any Promoters, of their Equity Shares or (iii) a combination of (i) and (ii), as may be suggested by the IPO Lead Advisor, and approved by the Investor 1 Consent.
207.	Qualified IPO Related Obligations	In line with the objectives of the Parties as set out in Articles 198 and 199 hereinabove, the Promoters and the Company shall, in good faith and with due care and diligence, do all things necessary or advisable to conduct, facilitate, support and ensure the success of the Qualified IPO by the Cut-Off Date or the Extended Cut-Off Date, as the case may be, in the manner set out in these Articles 198 to 224.
208.		The Company shall constitute, and the Promoters shall cause the Company to

Article		Particulars
		constitute, an IPO Committee by on or before March 31, 2016. The IPO Committee shall be constituted by such number of Directors as the Board deems fit, provided that the Investor Director shall necessarily be a member of such committee ("IPO Committee"). The Promoters shall cause the Company and the Board to nominate the Investor Director to the IPO Committee at the time of establishment of the IPO Committee, which IPO Committee will have customary terms of reference in relation to the Qualified IPO,and shall be responsible for taking all decisions in relation to the Qualified IPO, including in relation to the appointment of investment bankers, pricing and timeline for the Qualified IPO, drafting and filing of the offer documents for the Qualified IPO including the draft red herring prospectus and red herring prospectus and any discussions, correspondence and liaising with any Governmental Authorities including the Securities and Exchange Board of India.
209.		The Promoters and the Company shall, subject to confirmation thereof being provided by the IPO Committee, engage a reputed global merchant bank to conduct the Qualified IPO and act as the book running lead manager/one of the book running lead managers to the Qualified IPO ("IPO Lead Advisor"). Thereafter, the Qualified IPO shall be conducted in accordance with the advice of the IPO Lead Advisor and under its general supervision.
210.		The Investors shall, at any time prior to the filing of the draft red herring prospectus with SEBI, deliver to the Company a notice confirming (i) whether such Investor and/or its Affiliates intend to participate in an offer for sale in the Qualified IPO; and (ii) the number of Investor Securities to be sold by it in such offer for sale, pursuant to Articles 200 to 203.
211.		The IPO Committee shall at least 5 (five) Business Days prior to the filing of the red herring prospectus in respect of the Qualified IPO, in consultation with the book running lead managers to the Qualified IPO, determine a per Equity Share price ("RHP Floor Price"), which shall form the floor valuation above which Equity Shares may be issued or sold to the public in the Qualified IPO. The determination of the RHP Floor Price by the IPO Committee shall require an Investor 1 Consent, if at such RHP Floor Price, the IPO does not become or ceases to be a Qualified IPO. Once the RHP Floor Price has been determined by the IPO Committee, with Investor 1 Consent where required, no Equity Shares may be issued or sold in the Qualified IPO at a price which is lower than the RHP Floor Price, without a specific Investor Consent to such price. Any determination of a price band for the sale or issuance of shares in the Qualified IPO shall be determined such that the lowest end of the price band shall not be lower than the RHP Floor Price. Notwithstanding any Investor 1 Consent that has been granted by the Investor 1 in respect of a Qualified IPO, it is clarified that any change or alteration in the determination of the RHP Floor Price, which would result in such IPO ceasing to be a Qualified IPO, then such IPO shall once again require an Investor 1 Consent. [*Article 211 amended vide Extraordinary General Meeting resolution dated 21st March, 2017*]
212.		Upon the Investors offering any Equity Shares for sale pursuant to the Qualified IPO, the Company and the Promoters hereby undertake that they shall comply with and complete all necessary formalities to ensure such listing and admission to trading on the Recognized Stock Exchanges of such Equity Shares. In the event of any Qualified IPO, the Company and the Promoters shall ensure that all Equity Shares of the Company are included in the Listing such that the Investor Securities will, subject to applicable Law, be freely tradable by Investor immediately following the listing.
213.		The Promoters undertake to exercise their voting rights (at any Board Meeting or resolutions passed by the Board and/or any Committees and at any Shareholder Meeting or resolutions passed by the Shareholders), in order to ensure that the Company shall undertake a Qualified IPO in accordance with Articles 198 to 224. The Company and the Promoters shall, and hereby undertake that they shall, execute, do and take all such steps as may be in their respective powers to execute, do and take or procure to be executed, taken or done and to execute all such further

Article		Particulars
		documents, agreements and deeds and do all further acts, deeds, matters and things as may be required to undertake the Qualified IPO, to facilitate the Qualified IPO process and to do everything else necessary that is necessary or desirable or reasonably required by the Investors in order to achieve the Qualified IPO by the Cut-Off Date.
214.		The Promoters shall cause the Company to undertake the following actions: a. passing of all necessary resolutions by the Board, Shareholders, IPO Committee and all other Company filings to authorize, approve and support the Qualified IPO to ensure that the same is consummated before the IPO Completion Date and in respect of the actions and obligations set out in Articles 198 to 224; b. for purposes of due diligence, preparation of marketing material / documents and preparation of draft red herring prospectus, red herring prospectus and the prospectus, providing expeditious access to the personnel, properties and books and papers of the Company to the IPO Lead Advisor, other managers to the offer, investment bankers, the underwriters, the legal and financial advisors appointed for purposes of the Qualified IPO and/ or any other advisors or agents, and providing all necessary documents, information and disclosures (in an expeditious manner) to them; c. finalizing of the financial statements as required for the Qualified IPO and ensuring that the Company's auditors co-operate with the IPO Lead Advisor, managers and other advisors to the offer and provide all required certifications and comfort letters in customary form; d. satisfying the minimum Promoter's contribution requirement for the Qualified IPO and contributing any Equity Shares required from the Promoters; e. satisfying any requirements for the provision of a safety net or other similar mechanism as required under applicable Law, SEBI Regulations or in accordance with the directions of SEBI; f. carrying out all necessary corporate actions that may be necessary or advisable under SEBI Regulations or any other applicable Law; g. complying with specific directions and/or advise that may be provided by the IPO Lead Advisor and/or other intermediaries to ensure that governance standards employed within the Company are compliant with governance standards expected under SEBI Regulations and/or under applicable Law. Specifically, the Promoters shall, and shall cause the Company to, mandatorily comply with such directions as may be issued by the IPO Committee, based on advice received from the IPO Lead Advisor or other intermediary; h. settling or resolving such legal or regulatory proceedings as may be advised by the IPO Lead Advisor as advisable for purposes of the Qualified IPO; i. ensuring that the Promoters has sufficient Equity Securities free and clear of all Security Interest (and excluding any Equity Shares required to satisfy the minimum Promoters' contribution requirement for the Qualified IPO) to satisfy any lock-in requirements applicable to the Promoters pursuant to any applicable Law; j. ensuring that any Security Interests granted over any Equity Securities by the Promoters are released for the purposes of the Qualified IPO, if so advised by the managers to the offer or as may be required by the Recognized Stock Exchanges or under any applicable Law; and

Article		Particulars
		k. taking all necessary steps and actions to ensure that the Company is eligible and in a position to undertake and successfully complete a Qualified IPO on or before the IPO Completion Date, subject to appropriate market conditions prevailing.
215.		The Company agrees and undertakes that it shall, without any recourse to the Investors whatsoever, at its own cost (i) obtain all the relevant Government Approvals and other Consents that are necessary for the completion of the Qualified IPO, and (ii) complete the process of the Qualified IPO, in terms of these Articles. The Company and the Promoters shall ensure that the Qualified IPO complies with applicable Law and listing requirements of the Recognized Stock Exchange(s) on which the Equity Shares of the Company are to be listed and admitted to trading pursuant to the Qualified IPO. The Company shall comply with all ongoing listing costs and requirements including, inter alia, payment of all present and future costs relating to the listing and sponsorship, underwriting fees, listing fees, merchant bankers fees, bankers fees, brokerage, commission and any other costs that may be incurred due to the changes to the applicable Law for the time being in force. It is clarified that wherever reasonable assistance of the Investors is required in connection with the offer for sale component of the Qualified IPO, then the Investors shall provide to the Promoter and / or the Company, such assistance, as in reasonable in the opinion of the Investors.
216.		Expenses Subject to applicable Law, all expenses incurred in effecting the Qualified IPO including without limitation, statutory filing fees, printing expenses, escrow fees, underwriting fees, listing fees, merchant bankers fees, bankers fees, brokerage, commission, publicity charges, fees and disbursements of counsels, accountants and other advisors shall be borne by the Company and each of the shareholders participating in the Qualified IPO by offering any or all Equity Shares held by them for sale in the Qualified IPO selling shareholders, in proportion to the number of Equity Shares that are issued by the Company and sold by each of the selling shareholders in the Qualified IPO, as the case may be. [*Article 216 amended vide Extraordinary General Meeting resolution dated 21st March, 2017*]
217.		Warranties The Promoters agree that the Investors shall not, upon listing or sale of the Equity Shares held by the Investors in a Qualified IPO, be required to give any warranties or indemnities to any underwriter, broker, recognized stock exchange, any Governmental Authority or any other Person except in relation to title to the Equity Shares proposed to be sold by the Investors in an offer for sale in the Qualified IPO pursuant to Articles 200 to 203. The Company and the Promoter shall ensure that all documents relating to the Qualified IPO, including, without limitation, any prospectus and other submissions to the applicable regulatory authorities and governmental agencies are made available to the Investors (and counsel to the Investors) for theirreview and comment and shall consider in good faith and incorporate any comments received from the Investors prior to submission to such authorities and agencies.
218.		Indemnification The Company and the Promoter agree to jointly and severally indemnify and hold harmless the Investors, its Affiliates, and each of their respective officers, directors, employees, consultants and legal advisers, from and against any loss, claim or liability (and any actions, proceedings or settlements in respect thereof) arising out of or based on: (i) any untrue statement of a material fact contained in any prospectus, offering circular, or other offering document relating to a Qualified IPO (except to the extent that any such statement or material fact is in relation to the Investors and/or theirAffiliates, and has been provided by the Investors); (ii) any failure to state a material fact necessary to make the statements therein not misleading (except to the extent that such material fact was in relation to Investors and/or theirAffiliates and only solely in the knowledge of the Investors); and (iii) any violation of applicable Law by the Company or the

Article		Particulars
		Promoters (including but not limited to, the SEBI Regulations).
219.		Investors Not a Promoter The Company and the Promoter agree that under no circumstances, unless otherwise prescribed under applicable Law, shall the Investors or any of their Affiliates be referred to or otherwise considered as a 'Promoter' of the Company in connection with any Qualified IPO or any documents filed in connection therewith, or have any liability in relation to the Qualified IPO or any documents filed in connection therewith. Nothing in these Articles shall require the Investors or any of their Affiliates to do or omit to do anything that may result in any of them becoming a 'Promoter', or being deemed to constitute a ' Promoter' of the Company, or a part of the 'Promoters' in terms of SEBI Regulations. The Company and the Promoter agree not to classify or name the Investors or any of their Affiliates as a 'Promoter' of the Company or a part of the 'Promoters'. Further, neither the Investors nor any of their Affiliates shall be required to provide any information in connection with any Qualified IPO other than in relation to the Equity Shares being offered for sale by the Investors or their Affiliates in the case of an offer for sale pursuant to a Qualified IPO, or the minimum information required to be provided by the Investors in their capacity as a Shareholder for inclusion into any prospectus or offer document to be issued by the Company in connection with the Qualified IPO.
220.		For the purpose of any such Qualified IPO, to the extent permissible under Law, the Promoters and the Company shall ensure that, and shall take all actions required to ensure that the Investor Securities held by the Investors shall not be subjected to a lock-in or other restriction on Transfer as applicable to Promoter's contribution under applicable Law, SEBI Regulations, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or of any other statutory or regulatory authority as applicable from time to time and are not, in any event, subject to any lock-in requirements as a 'Promoter'.
221.		Unless otherwise required under Law or by any Governmental Authority, the rights of the Investors under these Articles shall survive the completion of a Qualified IPO. In the event that any rights of the Investors are required to be deleted from the Charter Documents, pursuant to the requirements of applicable Law or any Governmental Authority, the Company and the Promoters shall procure that, (i) until the Qualified IPO is consummated, all rights of the Investors pursuant to the Shareholders' Agreement and the Charter Documents would continue in force and would be given effect to in good faith and accordance with the terms of the Shareholders' Agreement and the Charter Documents, and (ii) all rights of the Investors shall be automatically be reinstated in the Charter Documents, in the event that the Qualified IPO does not occur by the Cut-Off Date, or is delayed for any reason beyond a period of 30 (thirty) Business Days from the proposed date of the Qualified IPO as agreed between the Promoters and Investor 1, Promoters undertake that they shall take all actions as may be required to give effect to the provisions of this Article 221, including but not limited to exercising their votes in relation to the Equity Securities owned by them, as may be required to give effect to the foregoing.
222.		If the Qualified IPO does not occur by the Cut-Off Date, or is delayed for any reason beyond a period of 30 (thirty) Business Days from the proposed date of the Qualified IPO as agreed between the Promoters and Investor 1, the Promoters undertake that they shall take all actions as may be required to give effect to the reinstatement of all the rights herein in favour of the Investors as if such Qualified IPO did not transpire.
223.		Notwithstanding anything contained herein, in the event that the Qualified IPO does not occur by the Cut-Off Date, Investor 1 and Investor 2 shall have the right to exercise their respective rights under Article225 to 259 below, in accordance with the terms thereof.
224.		Safety Net Arrangement For the purpose of any Qualified IPO, to the extent permissible under Law and unless otherwise expressly directed by SEBI, the Promoters and the Company shall ensure that, and shall take all actions required to ensure that, the Investors shall not be required to provide a 'safety net' in respect of the Qualified IPO, or

Article		Particulars
		any offer for sale component of the Qualified IPO, including in respect of the Investor Securities to be sold by the Investors in the Qualified IPO.
225.	Other Exit Rights	Qualified Secondary Sale If the Promoters fail to cause the Company to complete a Qualified IPO by the Cut-Off Date and have not been able to procure a complete exit for the Investors on terms acceptable to the Investors by the Cut-Off Date, then the Investors shall be entitled, which right shall be exercisable (severally or jointly) by the Investors in each of their sole discretion, to require the Promoters to procure that either (a) a Qualified Secondary Sale is undertaken and completed in accordance with the provisions of these Articles 225to 231, or (b) a buy-back of Equity Shares of the Company is undertaken and completed by the Company in accordance with the provisions of Articles 232 to 236. In the event that the Promoters have not undertaken any actions required to be undertaken under Articles 198 to 224in order to enable the completion of a Qualified IPO by the Cut-Off Date, then the Promoters shall notify the Investors of such failure to undertake such actions at least 1 (one) month prior to the Cut-Off Date ("**Promoter Cut-Off Date Notice**")
226.		Each of the Investors shall have the right, exercisable (severally or jointly) in each of their sole discretion by way of delivery of a written notice to the Promoters at any time following the earlier of (a) the receipt of the Promoter Cut-Off Date Notice, or (b) the Cut-Off Date, to require the Promoters to deliver or cause to be delivered such Investor, a written notice for the Qualified Secondary Sale ("**Qualified Secondary Sale Notice**"), which Qualified Secondary Sale Notice shall contain a genuine, binding and irrevocable offer from an Unrelated Investor to acquire the Investor Securities as set out in these Articles 225 to 231and shall specify: a. the terms of purchase of such Investor Securities at a price that will provide: (x) Investor 1 at least (a) an IRR (calculated as XIRR function of Microsoft Excel – 2007) of at least 15% (Fifteen Per Cent) per annum on the Investor 1 Investment Consideration or (b) Fair Value of the Investor 1 Securities, whichever is higher; and (y) Investor 2 at least (a) an IRR (calculated as XIRR function of Microsoft Excel – 2007) of at least 15% (Fifteen Per Cent) per annum on the Investor 2 Investment Consideration or (b) Fair Value of the Investor 2 Securities, whichever is higher ("**Qualified Secondary Sale Price**"); and b. the identity of the Unrelated Investor.
227.		Each of the Investors shall have the right (exercisable severally or jointly), but not the obligation, to sell any or all of the Investor Securities ("**Investor Sale Securities**") to the Unrelated Investor, which right shall be exercisable by Investor 1 and Investor 2 by the delivery of a written notice to the Promoters and the Unrelated Investor, which notice shall specify (i) the number of Investor Securities proposed to be sold by such Investor; and (ii) the aggregate Qualified Secondary Sale Price per Investor Sale Security multiplied by the number of Investor Sale Securities to be sold ("**Aggregate Qualified Secondary Sale Price**") ("**Qualified Secondary Sale**"). The Investors and their Affiliates will not be required to make any representations or warranties, or have any indemnification obligations, except other than in relation to the title of the Investor Sale Securities proposed to be sold to the Unrelated Investor pursuant to Articles225 to 231.
228.		A Qualified Secondary Sale shall be deemed to have been completed, only once the sale of the Investor Sale Securities by the Investors and/or their Affiliates to the Unrelated Investor is completed and upon receipt by the Investors and/or their Affiliates of the entire amount of the Aggregate Qualified Secondary Sale Price, in immediately available funds.
229.		In the event that Investor 2 exercises its right to a Qualified Secondary Sale pursuant to Article 225 above in respect of all of the Investor 2 Securities then held by Investor 2 and its Affiliates in the Company, the Promoters shall, within 2 (two) Business Days following the receipt of the relevant Qualified Secondary Sale

Article		Particulars
		Notice from Investor 2, deliver to Investor 1 a written notice notifying Investor 1 of the exercise of the Qualified Secondary Sale right by Investor 2 and enclosing a copy of such Qualified Secondary Sale Notice received by the Promoters from Investor 2 ("**Promoter Investor 1 QSS Notification**"). In the event that: (i) Investor 1 does not, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 1 QSS Notification, deliver a Qualified Secondary Sale Notice to the Promoters in accordance with Article226 above, then notwithstanding anything contained herein, the Promoters shall be obliged to procure the completion of the purchase of the Investor 2 Securities as specified in the relevant Qualified Secondary Sale Notice delivered by Investor 2; and (ii) Investor 1, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 1 QSS Notification, delivers a Qualified Secondary Sale Notice to the Promoters in accordance with Article 226 above, then the Promoters shall procure the completion of the purchase of all Investor 1 Securities and Investor 2 Securities as mentioned in the relevant Qualified Secondary Sale Notices in proportion to the Investors' inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis.
230.		In the event that Investor 1 exercises its right to a Qualified Secondary Sale pursuant to Article 226 above in respect of all of the Investor 1 Securities then held by Investor 1 and its Affiliates in the Company, the Promoters shall, within 2 (two) Business Days following the receipt of the relevant Qualified Secondary Sale Notice from Investor 1, deliver to Investor 2 a written notice notifying Investor 2 of the exercise of the Qualified Secondary Sale right by Investor 1 and enclosing a copy of such Qualified Secondary Sale Notice received by the Promoters from Investor 1 ("**Promoter Investor 2 QSS Notification**"). In the event that: (i) Investor 2 does not, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 2 QSS Notification, deliver a Qualified Secondary Sale Notice to the Promoters in accordance with Article 226above, then notwithstanding anything contained herein, the Promoters shall be obliged to procure the completion of the purchase of the Investor 1 Securities as specified in the relevant Qualified Secondary Sale Notice delivered by Investor 1; and (ii) Investor 2, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 2 QSS Notification, delivers a Qualified Secondary Sale Notice to the Promoters in accordance with Article 226 above, then the Promoters shall procure the completion of the purchase of all Investor 1 Securities and Investor 2 Securities as mentioned in the relevant Qualified Secondary Sale Notices in proportion to the Investors' inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis.
231.		In the event that Investor 1 exercises its right to a Qualified Secondary Sale pursuant to Article 226 above in respect of all of the Investor Securities then held by Investor 1 and its Affiliates in the Company, such that all of the Investor 1 Securities then held by Investor 1 and its Affiliates are to be sold pursuant to the Qualified Secondary Sale, and in the event that (i) Investor 2 does not thereafter deliver a Qualified Secondary Sale Notice to the Promoters in accordance with Article 230 above, and (ii) Investor 2 would have been entitled to sell all of the Investor 2 Securities then held by Investor 2 and its Affiliates in the Company at a price per Investor 2 Security which is no lower than a per share price equal to the Qualified Secondary Sale Price, had Investor 2 delivered such Qualified Secondary Sale Notice; and (iii) Investor 1 and its Affiliates sell all of the Investor 1 Securities then held by Investor 1 and its Affiliates in the Company pursuant to the exercise by Investor 1 of its right to a Qualified Secondary Sale, then the obligation of the Company and the Promoters to provide an exit to Investor 2 under Articles 225 to 259 falls away.
232.		<u>Buy-Back Right</u> Investor 1 and Investor 2 (with the written consent of Investor 1) shall have the right in its sole discretion by way of delivery of a written notice to the Promoters at any time following the earlier of (a) the receipt of the Promoter Cut-Off Date Notice, or (b) the Cut-Off Date, to require the Promoters to procure that the Company undertakes a buy-back of Equity Shares, subject to and in compliance with applicable Law ("**Buy-Back Notice**") and subject to applicable Law, the

Article		Particulars
		Promoters shall ensure that any buy-back of Equity Shares undertaken by the Company pursuant to these Articles 232to 236is completed on or before the expiry of 6 (six) months from the Cut-Off Date. Provided that, in the event that Investor 1 exercises its rights under the immediately preceding paragraph, Investor 2 shall have the right to participate in the buy-back undertaken by the Company. Provided further that, in the event that all the Investor Securities cannot be bought back by the Company pursuant to a buyback as a result of applicable Law or otherwise, the Company shall buyback the inter se Pro Rata Share of the Investor Securities held by them in the Company, calculated on a Fully Diluted Basis.
233.		The price at which any Equity Securities shall be bought back by the Company pursuant to any buy-back undertaken pursuant to these Articles 232 to 236 shall not be lower than a per share price equal to the Qualified Secondary Sale Price.
234.		In the event that all Investor Securities held by the Investors, their affiliates and nominees are not bought by the Company pursuant to a buy-back conducted under Article 232 above and within the period specified in Article 232 above, then regardless of the number of Investor Securities purchased by the Company as a part of such buy-back undertaken by the Company, all rights of such Investor under the Shareholders' Agreement, including all rights under Article 225 to 259 shall continue to apply in full force in respect of the Investor Securities that continue to be held by the Investors.
235.		In the event that each of Investor 1 and Investor 2 have exercised their respective rights under these Articles 232 to 236, all transfers of Investor Securities and all exit rights under these Articles 232 to 236 shall be exercised in proportion to their inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis
236.		In the event that the Company undertakes a buy-back of Equity Shares at any time following the earlier of (a) the receipt of the Promoter Cut-Off Date Notice, or (b) the Cut-Off Date, such that: (i) the Investor 2 and its Affiliates would have been entitled to sell to the Company all of the Investor 2 Securities then held by Investor 2 and its Affiliates in the Company at a price per Investor 2 Security which is no lower than a per share price equal to the Qualified Secondary Sale Price; (ii) if Investor 2 does not participate in such buy-back; and (iii) Investor 1 and its Affiliates sell all of the Investor 1 Securities then held by Investor 1 and its Affiliates to the Company in such a buy-back, then the obligation of the Company and the Promoters to provide an exit to Investor 2 under Articles 225 to 259 falls away.
237.		<u>Promoter Put Option</u> Each of the Investors shall have the right exercisable (severally or jointly) in each of their sole discretion ("**Put Option**"), at any time after the expiry of 6 (six) months from the Cut-Off Date, to require the Promoters to purchase, at a price per Investor Security equal to the Qualified Secondary Sale Price, all of the Investor Securities then held by such Investor and its Affiliates in the Company. Such Put Option shall be exercisable by the Investor by delivery of a written notice ("**Put Notice**"), which Put Notice shall specify the number of Investor Securities then held by the Investor and its Affiliates in the Company and all of which are to be transferred pursuant to the Promoter Put Option. The Promoter undertakes to acquire, within 3 (three) months of the Put Notice, the Investor Securities an aggregate consideration equal to the number of Investor Securities multiplied by the Qualified Secondary Sale Price ("**Put Price**").
238.		Notwithstanding the foregoing, it is clarified that in the event that the sale is not consummated and the Put Price is not received by the Investors in immediately available funds, the Investors shall continue to be entitled to all their other respective rights available to such Investors under Articles 225 to 259.
239.		In the event that Investor 2 exercises its Put Option pursuant to Article 237above in respect of all of the Investor Securities then held by Investor 2 and its Affiliates in the Company, the Promoters shall, within 2 (two) Business Days following the receipt of the relevant Put Notice from Investor 2, deliver to Investor 1 a written notice notifying Investor 1 of the exercise of the Put Option by Investor 2 and enclosing a copy of such Put Notice received by the Promoters from Investor 2 ("**Promoter Investor 1 Put Notification**"). In the event that: (i) Investor 1 does

Article		Particulars
		not, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 1 Put Notification, deliver a Put Notice to the Promoters in accordance with Article 237above, then notwithstanding anything contained herein, the Promoters shall be obliged to complete the purchase of the Investor 2 Securities as specified in the relevant Put Notice delivered by Investor 2; and (ii) Investor 1, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 1 Put Notification, delivers a Put Notice to the Promoters in accordance with Article 237above, then the Promoters shall complete the purchase of all Investor 1 Securities and Investor 2 Securities as mentioned in the relevant Put Notices in proportion to the Investors' inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis.
240.		In the event that Investor 1 exercises its Put Option pursuant to Article 237above in respect of all of the Investor Securities then held by Investor 1 and its Affiliates in the Company, the Promoters shall, within 2 (two) Business Days following the receipt of the relevant Put Notice from Investor 1, deliver to Investor 2 a written notice notifying Investor 2 of the exercise of the Put Option by Investor 1 and enclosing a copy of such Put Notice received by the Promoters from Investor 1 ("**Promoter Investor 2 Put Notification**"). In the event that: (i) Investor 2 does not, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 2 Put Notification, deliver a Put Notice to the Promoters in accordance with Article 237above, then notwithstanding anything contained herein, the Promoters shall be obliged to complete the purchase of the Investor 1 Securities as specified in the relevant Put Notice delivered by Investor 1; and (ii) Investor 2, within a period of 21 (twenty-one) Business Days following the receipt of such Promoter Investor 2 Put Notification, delivers a Put Notice to the Promoters in accordance with Article 237above, then the Promoters shall complete the purchase of all Investor 1 Securities and Investor 2 Securities as mentioned in the relevant Put Notices in proportion to the Investors' inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis.
241.		In the event that Investor 1 exercises its Put Option pursuant to Article 237above in respect of all of the Investor Securities then held by Investor 1 and its Affiliates in the Company, such that all of the Investor 1 Securities then held by Investor 1 and its Affiliates are to be sold pursuant to the Put Option, and in the event that (i) Investor 2 does not thereafter deliver a Put Notice to the Promoters in accordance with Article 237 above, and (ii) Investor 2 would have been entitled to sell all of the Investor 2 Securities then held by Investor 2 and its Affiliates in the Company at a price per Investor 2 Security which is no lower than a per share price equal to the Qualified Secondary Sale Price, had Investor 2 delivered such Put Notice; and (iii) Investor 1 and its Affiliates sell all of the Investor 1 Securities then held by Investor 1 and its Affiliates in the Company pursuant to the exercise by Investor 1 of their Put Option, then the obligation of the Company and the Promoters to provide an exit to Investor 2 under Articles 225 to 259 falls away.
242.		<u>Sale Rights</u> Investor 1shall have the right exercisable in its sole discretion, at any time after 9 (nine) months from the Cut-Off Date, to undertake any of the following actions: a. freely Transfer any or all of the Investor 1Securities held by it and its Affiliates to any Person, including to any Competitor, without any restrictions and without the requirement to comply with any of the provisions of Article 78 and Article 87 to 98 and Articles 106to 112; b. implement a strategic sale, merger, consolidation, amalgamation, reconstruction or any other form of restructuring, business transfer or asset transfer, which may involve the transfer of the whole or any part of any assets, business, undertaking or other properties of the Company, any Subsidiary Company or Associate Company, or any of the Equity Securities of the Company or any equity shares or equity securities of any Subsidiary Company or Associate Company, or any combination thereof, in each case to any Person, including a Competitor ("Strategic Sale"); and

Article		Particulars
		c. call upon the Promoters and Other Shareholders and each of their respective Affiliates to sell all or part of the Equity Securities held by them in the Company in exercise of the Investor's Drag Along Right underArticles 249to 256to any Person, including a Competitor.
243.		If an Investor becomes entitled to exercise any rights available to such Investor under the Shareholders' Agreement and in particular under these Articles 242to 248, then the Promoters shall ensure such Investor is compensated for any incremental costs, including Taxes, which may be incurred by such Investor as a result of having to exercise rights available to such Investor, and that such Investor is compensated and receives, in the aggregate, an amount not less than such Investor would have received from the Promoters had the Put Option been exercised by such Investor and honoured by the Promoters.
244.		If Investor 1 exercises its rights pursuant to Article 242, the Company, the Promoters and the Other Shareholders shall, and shall ensure that each of their respective Affiliates that hold any Equity Securities in the Company shall, cooperate in, and shall take all actions that Investor 1 deems reasonably necessary to complete, the Strategic Sale, including voting their respective Equity Securities (or executing and delivering any written Consents in lieu thereof) in favour of the Strategic Sale and against any action or proposal that may prevent, hinder or impede the completion of the Strategic Sale, procuring any Governmental Approvals or Consents necessary to complete the Strategic Sale and not exercising any dissent or similar rights to which they may be entitled in connection with the Strategic Sale.
245.		The Company, the Promoters and the Other Shareholders shall, and shall ensure that each of their respective Affiliates that hold any Equity Securities in the Company shall, enter into definitive agreements as are customary for transactions of the nature of the proposed Strategic Sale and the Promoters, Other Shareholders and their respective Affiliates that hold any Equity Securities in the Company agree to give or make customary warranties, representations, covenants and indemnities in connection with the Strategic Sale, including relating to their good and marketable title to, and ability and capacity to sell, any assets, business, undertaking or other properties of the Company, any Subsidiary Company or Associate Company, or any of the Equity Securities of the Company or any equity shares or equity securities of any Subsidiary Company or Associate Company, and in relation to the business and operations of the Group. Investor 1shall only be required to provide representations and warranties relating to its title to the Investor 1Securities.
246.		In connection with any Strategic Sale, the Company, the Promoters and the Other Shareholders shall, and shall ensure that each of their respective Affiliates that hold any Equity Securities in the Company shall: (i) cooperate with Investor 1and the proposed purchaser and their respective advisors, to facilitate and effect any Strategic Sale; (ii) execute a reasonably satisfactory confidentiality agreement with the purchaser, (iii) use, and cause their employees and personnel to use, its and their reasonable efforts to facilitate and support any due diligence process; and (iv) cooperate in obtaining all Governmental Approvals and Consents reasonably necessary to consummate such Strategic Sale.
247.		Notwithstanding the foregoing, it is clarified that in the event that any Strategic Sale is not consummated and an amount equivalent to the Put Price is not received by Investor 1in immediately available funds, the Investor shall continue to be entitled to all its other rights available to the Investor under Articles 225 to 259.
248.		In the event that Investor 1 exercises its right pursuant to Article 242(b) or Article 242(c), Investor 2 shall have the right to participate in a Strategic Sale or a Drag Along Sale as the case may be and to sell a pro rata proportion of the Investor 2 Securities to the proposed purchaser at the same price per Investor 1 Security received by Investor 1 from the proposed purchaser.
249.		<u>Drag Along Right</u> If Investor 1 exercises its rights pursuant to Article 242 (c), then Investor 1shall have the right, exercisable in its sole discretion, to solicit offers ("**Drag Exit Offers**") for the purchase of all (and not part) of the Investor 1 Securities, either alone, or in conjunction with any of the EquitySecurities owned by the Promoters

Article		Particulars
		and Other Shareholders and their respective Affiliates (“**Dragged Shareholders**”) to any Person, including a Competitor. In the event that any Drag Exit Offer received for the acquisition of all the Investor 1 Securities along with some or all of the Securities owned by the Dragged Shareholders (“**Promoter Drag Securities**”) is acceptable to the Investor 1, then Investor 1 shall be entitled to require the Dragged Shareholders to sell some or all the Promoter Drag Securities to the offeror (“**Drag Offeror**”) in the manner specified in theseArticles 249 to 256 (“**Drag Along Sale**”).
250.		Investor 1 shall provide the Drag Exit Offer accepted by it to the Dragged Shareholders, Investor 2 and the Company within 60 (sixty) Business Days of receipt of the same by Investor 1. The Drag Exit Offer shall stipulate (i) the price per Promoter Drag Security to be paid in the proposed Drag Along Sale (“Drag Along Sale Price”), (ii) the name of the purchaser in the proposed Drag Along Sale, (iii) the proposed date of closing of the Transfer, subject to such extensions as may be intimated in writing by Investor 1to the Dragged Shareholders (“Drag Along Completion Date”), (iv) the number of Promoter Drag Securities required to be sold by the Dragged Shareholders; and (iv) any other material terms and conditions of the Drag Along Sale. In the event that Investor 2 chooses to participate in such Drag Along Sale, then Investor 2 shall deliver a written notice to Investor 1, within 15 (fifteen) Business Days from the date of receipt by it of the Drag Exit Offer, notifying Investor 1 of its intention to participate in the Drag Along Sale (“Investor 2 Drag Participation Notice”). In the event that Investor 2 has delivered an Investor 2 Drag Participation Notice to Investor 1 in accordance with this Article 250, Investor 1 shall procure that all of the Investor 2 Securities then held by Investor 2 and its Affiliates in the Company, subject to a maximum of such number of Investor 2 Securities as constitute 2.57% (two point five seven per cent) of the Share Capital (calculated on a Fully Diluted Basis) adjusted for any Adjustment Event or any buy-back of Equity Securities that is undertaken by the Company, in which Investor 2 does not participate, other than a buy-back pursuant to Articles 232 to 236, are sold to the proposed purchaser simultaneously with the sale of the Investor 1 Securities by Investor 1 to the proposed purchaser.
251.		The aggregate price offered by the Drag Offeror pursuant to a Drag Exit Offer (“Aggregate Drag Price’) shall be placed in an escrow account, and thereafter paid to Investor1, Investor 2and the Dragged Shareholders in the following manner: a. First, to Investor 1 and Investor 2, simultaneously, in the following amounts: i. an amount equal to the number of Investor 1 Securities multiplied by the Drag Along Sale Price (“Investor 1 Drag Consideration”); and ii. an amount equal to the number of Investor 2 Securities multiplied by the Drag Along Sale Price (“Investor 2 Drag Consideration”); and b. Then, to the Dragged Shareholders, an amount equal to the number of Promoter Drag Securities multiplied by the Drag Along Sale Price (“Promoter Drag Consideration”). Provided however that, in the event that the Investor 1 Drag Consideration and the Investor 2 Drag Consideration is lower than an amount equal to the number of Investor 1 Securities and Investor 2 Securitiesmultiplied by the Qualified Secondary Sale Price respectively (collectively, “Investor Drag Entitled Consideration”) then (i) an amount of the Promoter Drag Consideration equal to the difference between the Investor Drag Entitled Consideration and the sum of the Investor 1 Drag Consideration and Investor 2 Drag Consideration shall be paid to Investor 1 and Investor 2 from the escrow account, in accordance with their inter se pro rata share of such amounts,and not to the Dragged Shareholders and the Dragged Shareholders shall only be paid the balance consideration, if any, available after such payment to Investor 1 and Investor 2; and (ii) if the entire amount of the Promoter Drag Consideration is less than the difference between the Investor Drag Entitled Consideration and the sum of the Investor 1 Drag

Article		Particulars
		Consideration and the Investor 2 Drag Consideration, then the entire Promoter Drag Consideration shall be paid to Investor 1 and Investor 2, and the Dragged Shareholders shall further be liable to pay to Investor 1 and Investor 2, an amount equal to the difference between the Investor Drag Entitled Consideration and the Aggregate Drag Price.
252.		Each Dragged Shareholder shall sell all the Promoter Drag Securities in the Drag Along Sale on the same terms and conditions as are applicable to Investor 1, simultaneously with a Transfer of all the Investor 1 Securities by Investor1 and of the Investor 2 Securities by Investor 2 (to the extent applicable), all of which transactions shall take place on the Drag Along Completion Date.
253.		The Dragged Shareholders shall cooperate in, and shall take all actions that Investor 1 deems reasonably necessary to complete, the Drag Along Sale, including voting their respective Securities (or executing and delivering any written Consents in lieu thereof) in favour of the Drag Along Sale and against any action or proposal that may prevent, hinder or impede the completion of the Drag Along Sale, procuring any Governmental Approvals or Consents necessary to complete the Drag Along Sale and not exercising any dissent or similar rights to which they may be entitled in connection with the Drag Along Sale.
254.		The Dragged Shareholders and the Company shall enter into definitive agreements as are customary for transactions of the nature of the proposed Drag Along Sale and the Dragged Shareholders agree to give or make customary warranties, representations, covenants and indemnities in connection with the Drag Along Sale, including relating to their title to the Promoter Drag Securities and capacity to sell the Promoter Drag Securities, the Company, the Group and the Business. Investor 1 shall only be required to provide representations and warranties relating to its title to the Investor 1 Securities. Investor 2 shall only be required to provide representations and warranties relating to its title to the Investor 2 Securities.
255.		In connection with any Drag Along Sale, the Dragged Shareholders and the Company shall: (i) cooperate with Investor 1 and the proposed purchaser and their respective advisors, to facilitate and effect any Drag Along Sale; (ii) execute a reasonably satisfactory confidentiality agreement with the purchaser, (iii) use, and cause their employees and personnel to use, its and their reasonable efforts to facilitate and support any due diligence process; and (iv) cooperate in obtaining all Governmental Approvals and Consents reasonably necessary to consummate such Drag Along Sale. The Dragged Shareholders shall, to the extent required by Investor 1, enter into arrangements for the transition of the management and operations of the Company, Subsidiaries or Associate Companies as the case may be and shall provide all support and assistance as may be required by the Investor and the proposed purchaser for a period of 1 (one) year following the completion of the Drag Along Sale.
256.		Notwithstanding the foregoing, it is clarified that in the event that the sale is not consummated and the Investor Drag Entitled Consideration is not received by Investor 1 and Investor 2 in immediately available funds, Investor 1 and Investor 2 shall continue to be entitled to all its other rights available to Investor 1 and Investor 2 under Articles 225 to 259.
257.		Investor 2 shall have the right exercisable in its sole discretion, at any time after 9 (nine) months from the Cut-Off Date, to freely Transfer any or all of the Investor 2 Securities held by it and its Affiliates to any Person, including to any Competitor, without any restrictions and without the requirement to comply with any of the provisions of Articles 78 and Articles 87 to 98 or Articles 106 to 112.
258.		In the event that each of Investor 1 and Investor 2 have exercised their respective rights under Articles 242 to 248 and Articles 249 to 256, all transfers of Investor Securities and all exit rights under Articles 242 to 248 and Articles 249 to 256, as the case may be, shall be exercised in proportion to their inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis.
259.		The Parties agree that each of the rights of each of the Investors under the Shareholders' Agreement, and in particular the rights of the Investors under Articles 225 to 259 of the Shareholders' Agreement, are independent rights of such Investor and are mutually exclusive, and each such right may be exercised by the Investor, at its sole discretion, either individually or together with the other rights

Article		Particulars
		available to it under Articles 225 to 259.
260.	Events of Default	Occurrence of any of the following events shall constitute an "Event of Default": a. A material breach of the Subscription Agreement or the Shareholders' Agreement by Company or any of the Promoters or Other Shareholders, which is not cured within a period of 60 (sixty) days from the date of the earlier of the date of a Default Notice or the date of issue of an Investor Default Notice ("Cure Period"), or which breach is incapable of being cured; b. A material breach of any representation, warranty or undertaking provided by the Company or any of the Promoters under the Subscription Agreement or the Shareholders' Agreement; c. The occurrence of any Liquidation Event or Deemed Liquidation event, unless such event has occurred with the Investor Consents; d. The reorganization, liquidation, suspension of payment of debts, winding up, the cessation of Business, business activities or operations or any similar event involving the Company, any Subsidiary, Associate Company or the Promoters and their Affiliates; e. The occurrence of any change in the Control of the Company, resulting in the Promoters ceasing to be in Control of the Company, other than as specifically approved by the Investor Consents.
261.		The Company and the Promoters shall, immediately upon becoming aware of any of the Events of Default underArticle 260, issue to the Investors a written notice ("Default Notice") identifying such Event of Default as under Article 260and undertaking to cure such Event of Default as identified in the Default Notice, within the Cure Period (if such Event of Default is capable of being cured).
262.		In the event that any of theInvestors becomes aware of the occurrence of any of the Events of Default under Article 260 then suchInvestor may upon becoming aware of such occurrence, may issue a written notice to the Company, the Promotersand the other Investor ("**Investor Default Notice**") identifying such Event of Default as under Article 260 and requiring the Company and Promoters to cure such Event of Default as identified in the Default Notice, within the Cure Period (if such Event of Default is capable of being cured).
263.		Without prejudice to its rights underArticle 264, upon the occurrence of any of the Events of Default under Article 260, or in the event that an Event of Default as specified under a Promoter Default Notice or an Investor Default Notice is not cured by the Promoters, to the satisfaction of Investor 1, within the Cure Period, or is not capable of being cured, then the Investor 1 shall be entitled to undertake, and to require the Company and the Promoters to undertake, any one or more of the following actions: a. Any change in or appointment or replacement of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and any of the Key Officers or senior management personnel of the Company, the relevant Subsidiary or Associate Company; b. Any sale of the whole or any Assets, investments, Business or other properties of the Group; c. Any appointment or induction of additional directors to the Board so as to a constitute a majority, and the reconstitution of the Board in such manner; d. Any changes in the Business Plan and any other financial plan / budget; e. Issuance of new Equity Securities to any new investors by any company within the Group, and any raising of capital, in any manner, by the Group;

Article		Particulars
		f. Determination in relation to the utilization of any surplus cash; g. Any expansion or diversification of the Business, operations, activities or projects of the Group or undertaking any merger, amalgamation, consolidation, reorganization or any other similar restructuring event, business transfer of asset transfer, including a Strategic Sale; and h. Any actions that Investor1may deem fit to protect its interests in the Company.
264.		Upon the occurrence of any of the Events of Default under Article 260, or in the event that an Event of Default as specified under a Promoter Default Notice or an Investor Default Notice is not cured by the Promoters, to the satisfaction of Investor 2, within the Cure Period, or is not capable of being cured, then Investor 2 shall without prejudice to the remedies available to it under Law, have the right ("**Default Put Option**") to require the Promoters to purchase, at a price per Investor 2 Security equal to the Qualified Secondary Sale Price, all of the Investor 2 Securities then held by Investor 2 and its Affiliates in the Company. Such Put Option shall be exercisable by the Investor by delivery of a written notice ("**Put Notice**"), which Put Notice shall specify the number of Investor 2 Securities then held by Investor 2 and its Affiliates in the Company and all of which are to be transferred pursuant to the Promoter Put Option. The Promoter undertakes to acquire, within 3 (three) months of the Put Notice, the Investor 2 Securities an aggregate consideration equal to the number of Investor Securities multiplied by the Qualified Secondary Sale Price.
265.		Notwithstanding the rights available to Investor 1 under Articles249 to 256, Investor 1 shall, upon the occurrence of either of (i) a Liquidation Event or (ii) an Event of Default, have the right, in its sole discretion, to accelerate the Cut-Off Date to such date as Investor 1 may determine in its sole discretion. Upon such acceleration of the Cut-Off Date, Investor 1 and Investor 2 shall have the right to exercise with immediate effect any of the rights available to Investor 1 and Investor 2 under Article 198 to Article 265.
266.	Liquidation Preference	Subject to applicable Law and until the completion of an IPO of the Company, in the event of the occurrence of any Liquidation Event, the total proceeds from such Liquidation Event remaining after discharging or making provision for discharging the liabilities of the Company as required under applicable Law, shall be distributed: a. First to the Investors in proportion to their inter se Pro Rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis: (i) an amount which would result in Investor 1 receiving an aggregate amount equivalent to the Investor 1 Investment Consideration or Fair Value, whichever is higher ("**Investor 1 Liquidation Preference Amount**"); and (ii) an amount which would result in Investor 2 receiving an aggregate amount equivalent to the Investor 2 Investment Consideration or Fair Value, whichever is higher ("**Investor 2 Liquidation Preference Amount**") (Investor 1 Liquidation Preference Amount and Investor 2 Liquidation Preference Amount collectively being the "**Liquidation Preference Amount**"); b. Second, to the other shareholders of the Company, an amount equal to the Pro Rata amount that the Investors receive pursuant to the immediately preceding Article 266(a)on a per Equity Share basis (on a Fully Diluted Basis); and c. To the extent that there are Assets available for distribution after payment of the Liquidation Preference Amount to the Investors and the amounts to the Promoters and Other Shareholders pursuant to Article 266(a) and Article 266(b)hereinabove, all Shareholders will share pro rata, on a Fully Diluted Basis, in the distribution of such remaining Assets.
267.		Subject to applicable Law and until the completion of an IPO of the Company, in the event of the occurrence of any Deemed Liquidation, the total proceeds from

Article		Particulars
		such Deemed Liquidation shall be distributed: a. First to the Investors, (i) in the case of any Deemed Liquidation other than as specified in (ii), (iii), (iv) and (v) below, an amount which would result in: (a) Investor 1 receiving an aggregate amount equivalent to the Investor 1 Investment Consideration; and (b) Investor 2 receiving an aggregate amount equivalent to the Investor 2 Aggregate Consideration, each compounded an IRR of 15% p.a. (Fifteen Per Cent per annum) for the period between the Effective Date and the date of completion of the distributions, plus all declared but unpaid dividends or Fair Value, whichever is higher ("Deemed Liquidation Preference Amount"); (ii) in the event of a Liquidation Event pursuant to the exercise by Investor 1 of its Tag Along Right under Articles 113 to 117, an amount which would result in Investor 1 receiving an amount equivalent to the Tag-Along Price; (iii) in the event of a Liquidation Event pursuant to the exercise by Investor 1 of its Drag Along Right under Articles 249 to 256, an amount which would result in Investor 1 receiving an amount equivalent to the number of Investor 1 Securities multiplied by the Qualified Secondary Sale Price;(iv) in the event of a Liquidation Event pursuant to the exercise by Investor 2 of its Investor 2 Tag-Along Right under Article 118 to 122, an amount which would result in Investor 2 receiving an amount equivalent to the Investor 2 Tag-Along Price; (v) in the event of a Liquidation Event pursuant to the exercise by Investor 2 of its right to participate in a Drag Along Sale under Article 249 to 256, an amount which would result in Investor 2 receiving an amount equivalent to the number of Investor 2 Securities multiplied by the Qualified Secondary Sale Price. b. Second, to the other shareholders of the Company, an amount equal to the Pro Rata amount that the Investors receives pursuant to the immediately preceding Article 267(a), on a per Equity Share basis (on a Fully Diluted Basis); and c. To the extent that there are Assets available for distribution after payment of the Deemed Liquidation Preference Amount to the Investors and the amounts to the Promoters and Other Shareholders pursuant to Article 267(a) and Article 267(b) above, all Shareholders will share pro rata, on a Fully Diluted Basis, in the distribution of such remaining Assets.
268.		If the allocation of the proceeds among the Investors and the Promoters in the manner set forth above in Article 266and Article 267conflicts with any applicable Law, the Company shall, before the Liquidation or the Deemed Liquidation, issue to the Investors, at par value, such number of Equity Shares as shall cause the distribution to the Investors, pursuant to the Liquidation or the Deemed Liquidation, to be in such amounts as such Investors would have received had the allocation in accordance with Articles 266 or Article 267 been permitted.
POWERS & DUTIES OF DIRECTORS		
269.	First Directors	The first Directors of the Company are: 1. Dr. B. Bhaskar Rao 2. Sri B. Krishnaiah 3. Dr. M. Sambasiva Rao 4. Dr. S. Saharaiah
270.	General Powers of Company Vested in Directors	The business of the Company shall be managed by the Board of Directors, who may exercise all such powers, as are authorised by the Act or any statutory modifications thereof for the time being in force except those by these presents are required to be exercised by the Company in General Meeting, provided in exercising any power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other provision of Law or the Memorandum of Association of the Company or these Articles or in any regulation not in consistence therewith and duly made there under including regulations made in General Meeting shall invalidate, no regulation made by the Company in a General Meeting, any prior Act of the Board which has been made

Article		Particulars
		in compliance with the provisions of these Articles and which would have been valid if that regulation had not been made.
271.	Further Powers of Directors	Without prejudice to the generality of the foregoing, it is hereby expressly declared that the Directors shall have the following powers, subject to Articles 193to 197that is to say: a. To carry on and transact the several kinds of business specified in clause III of the Memorandum of Association of the Company, subject to the provisions of law in that behalf. b. To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies. drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures, or debenture-stock, stocks of Corporations, Local bodies, Port trusts, Improvement Trusts or other Corporate bodies and to execute. Transfer deeds for transferring stocks, shares or stock certificates of the Government, and other local or corporate bodies in connection with any subject of the Company, c. At their discretion, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and such shares may be issued either as fully paid up or as may be agreed upon; and any such bonds, debentures, or other securities may be either specifically charged upon all or any of the property of the Company or not so charged. d. To engage and in their discretion to remove, suspend, dismiss and remunerate banker. legal advisors, accountants, cashiers, agents, dealers, brokers, foremen, servants, employees of every description and to employ such professionals or technical, skilled assistants from time to time as may in their opinion be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and may be required security in such instance and to such amounts as the Directors think fit. e. To accept from any member, on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof, f. To secure the fulfillment of any contracts or agreements entered into by the Company, by mortgage or charge of all or any of the property of the Company or in such other manner as they may think fit. g. To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or subject to arbitration the same actions/suits and legal proceedings. h. To make and give receipts, release and other discharges for money payable to the Company and for the claims & demands of the Company i. To determine who shall be entitled to sign on the Company's behalf bills of exchange, pronotes, dividend warrants, cheques and other negotiable instruments, receipts, acceptances, endorsements, releases, contracts, deeds and documents. j. From time to time to regulate the affairs of the Company abroad in such manner as they think fit in particular to appoint any person to be the attorneys or agents of the Company either abroad on in India with such powers including power to sub-delegate and upon such terms as may be thought fit. k. To invest and deal with moneys of the Company not immediately required for the purposes thereof upon such securities as they think fit.

Article		Particulars
		l. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any properly, personal liability for the benefit of the Company on such mortgages of the Company's property (present &future) as they think fit and any. such mortgage may contain a power of seal and such other powers, covenants and provisions as shall be agreed upon. m. To give to any person employed by the Company a commission on the profits, or any particular business or transaction, or a share in the general profits of the Company, and such commission or shares of profits, shall be treated as part of the working expenses of the Company. n. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants. o. To enter into ail such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes Of the Company. p. To pay gratuities, bonuses, rewards, presents and gift to employees or dependents of any deceased employees, to charitable institutions or purposes, to subscribe for provident funds and other associations for the benefit of the employees.
272.	Delegation of Powers to Committee	Subject to the provisions of the Act, and other provisions of the Act, the Board may delegate from time to time and at any time to a committee formed out of the Directors, all or any of the powers, authorities and discretions for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.
273.	Attorney of the Company	Subject to all applicable provisions of these Articles, the Board may appoint, at any time and from time to time by a power of attorney under the Company's seal, any person to be attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may, from time to time think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or Company, or the members, directors, nominees or managers of any firm or Company, or otherwise In favour of any body or persons, nominated directly by the Board and any such power of attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.
274.	Power to authorise Sub-delegate	Subject to compliance with all provisions of these Articles, the Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.
275.	Maintenance of registers, records of minutes, etc	The Board shall duly comply with the provisions of the Act and in particular withthe provisions in regard to the registration of the particulars of the mortgages and charges affecting the properties of the Company or created by it and to keeping a Register of the Directors and sending to the Registrar an Annual list of members and a summary of particulars of shares and stock and copies of special resolution and other resolutions of the Board as are required to be filled with the Registrar under the Act, and a copy of the Register of Directors and notification of any changes therein.
276.		The Company shall comply with the requirement ofthe Act, in respect of keeping of the minutes of all proceedings of every general meeting and of every meeting of the Board or any Committee of the Board.
277.		The Chairman of the meeting may exclude at his absolute discretion such of the matter as are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

Article		Particulars
278.	Secretary	The Board shall have the power to appoint a person as the Secretary possessing the prescribed qualifications and fit in their opinion or the said office, for such period and on such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated to or entrusted to him by the Directors.
279.	Power to commence branch business	Subject to compliance with applicable provisions of these Articles, any branch or kind of business which by the Memorandum of Association of the Company these presents is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem fit expedient not to commence or proceed with such branch or kind of business.
280.	Delegation of Power	Subject to the provisions of Act and these Articles, the Board may delegate all or any of their powers to any Directors, jointly or severally or to any one Director at their discretion.
	BORROWING	
281.	Borrowing	The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under Act and with such consent as may be required pursuant to other applicable provisions of these Articles, raise any money or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business, shad not be without the sanction of the Company at a General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserve, that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities and in security of any money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise transfer or convey the same absolutely in trust and given the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities. Provided that every resolution passed by the Company in General meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.
282.		The Directors may, subject to applicable provision of these Articles, by a resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Directors, within the limits prescribed.
283.		Subject to the provisions of the above Article, the Directors may from time to time, at their discretion subject to compliance with applicable provisions of these Articles, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by opening current account or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture-stock of the Company (both present and future) including its uncalled capital for the time being, or by mortgaging or charging or pledging any lands, buildings, goods or other properties and securities of the Company, or by such other means as to them may seem expedient.
284.	Assignment of Debentures	Such debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
285.	Terms of Debenture Issue	Any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares of the Company, appointment of Director

Article		Particulars
		or otherwise. Debentures, debenture-stocks, bonds, or other securities, with a right of conversion into or allotment of shares shall be issued only with the sanction of the Company in the General Meeting.
286.		Any trust deed for securing of any debenture-stock and or any mortgage deed and or other bond for securing payment of moneys borrowed by or due by the Company and or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capita! of the Company or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgage, lender, trustees or holders of debentures or contracting part as aforesaid, of one or more persons to be a Director or Directors of the Company.
287.		Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debentures or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture, trust deed or under such contract shall cease to hold office as such director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and shall be effective as it is contained in these presents.
288.	Nominated Directors	The Director or Directors so appointed by or under a mortgage deed, debenture, trust deed or other bond or contract as aforesaid shall be called "Nominated Director". The word "Nominated Director" shall mean the Director appointed as aforesaid and for time being holding such office. The nominated Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or be removed from office or the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provisions as may be arranged between the Company and mortgagee, lender, trustee or contracting party as the case may be and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.
289.	Register of Mortgages	The Directors shall cause a proper Register to be kept in accordance with the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act, in regard to the registration of mortgages and charges therein specified.
290.	Subsequent assignees of Uncalled Capital	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charge and shall make the same, subject to such. Prior charge and shall not be entitled, by notice to the shareholders or otherwise to obtain priority over such prior charge.
291.	Charge in Favour of Director for Indemnity	If the Director or any other persons, shall become personally liable for the payment or any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons to becoming liable as aforesaid from any loss in respect of such liability.
292.	Powers to be excercised by board only at meeting	The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed atthe meeting of the Board: a. power to make calls on share holders in respect of moneys unpaid on their shares; b. power to issue debentures; c. powers to borrow moneys otherwise than on debentures; d. powers to invest the funds of the Company;

Article		Particulars
		e. powers to make loans.
293.		The Board of Director may, subject to applicable provisions of the Act and these Articles, by a meeting resolve to delegate to any Committee of the Directors, Managing Director or principal officer, the powers specified in the Article 292 hereinabove.
294.		Every resolution delegating the power referred to in Article 292(c) above shall specify the total amount up to which money may be borrowed by the said delegate.
295.		Every resolution delegating the power set out in Article 292(d) above shall specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegate.
296.		Every resolution delegating the power referred to in Article 292(e) above shall specify the total amount upon which the loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
MANAGING DIRECTORS / WHOLE TIME DIRECTORS		
297.	Appointment of managing directors or whole time directors	Subject to the provisions of the Actand other applicable provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors or Whole Time Director or Whole Time Directors of the Company for such term not exceeding five years, at a time and subject to such contracts as they may think fit. a. In the event of any vacancy arising in the Office of a Managing Director or Whole Time Director and if the Directors resolve to increase the number of Managing Directors or Whole Time Directors, the vacancy shall be filled up by the Board of Directors and the Managing Director or Whole Time Director so appointed shall hold the office for such period as the Board of Directors may fix, subject to the provisions of the Companies Act, 1956 and approval of the Central Government. b. If a Managing Director or Whole Time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director or Whole Time Director. c. The Managing Director and/or Wholetime Director shall be liable for retirement by rotation [*Article 297(c) amended vide Extraordinary General Meeting resolution dated 21st March, 2017*]
298.	Powers and duties	Managing Director or Whole Time Director shall be subject to other applicable provisions of these Articles and subject to supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such object, purposes and on such terms and conditions and with such restrictions as they may think expedient and they may from time to time revoke, withdraw, alter, vary all or any of such powers. Subject to other applicable provisions of these Articles, the Managing Directors or whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.
299.	Remuneration	Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Directors or Whole Time Directors shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.
300.	Reimbursement of expenses	The Managing Director or Whole Time Director 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 pay remuneration to such part time employees.
301.	Business to be done	The Managing Director or Whole Time Director shall have subject to the

Article		Particulars
		supervision control and discretions of the Board, the management of the whole of the business of the company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of the Company, except such powers and such duties as are required by law or by these presents are to be exercised or done by the company in General Meeting, or by the Board of Directors and also subject to such conditions or restrictions imposed by the Companies Act or and other applicable provisions of these Articles.
302.		Without prejudice to the generality of the foregoing and subject to supervision and control of the Board of Directors the business of the Company shall be carried on by the Managing Director or Whole Time Director and shall have and exercise all the powers set out in Article 292 above, except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in general meeting or by the Board and in accordance with all applicable provisions of these Articles.
303.		Subject to all applicable provisions of these Articles, the Board may from time to time, delegate to the Managing Director or Whole TimeDirectors such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole Time Director by the Board or by these presents.
COMMON SEAL		
304.	Custody of common seal	The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the common seal shall be kept at the Registered Office of the company and committed to the custody of the Managing Director or the Secretary, if there is one.
305.	Affixation of seal	The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director at least in whose presence the seal shall have been affixed and counter signed by the Managing Director, and also by the Secretary or such other person as may from time to time be authorised by the Board, provided nevertheless that any instrument bearing the seal of the Company and issued for the valuable consideration shall be binding on the Company not withstanding any irregularity touching the authority to issue the same.
DIVIDENDS		
306.	Right to dividend	The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of the presents, as to the reserve fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively. Where capital is paid up on any share in advance of calls, upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits.
307.	Declaration of dividends	The Company in General Meeting may declare dividends, but no dividend shall exceedthe amount recommended by the Board.
308.	Interim Dividend	The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
309.	Dividends to be paid out of profits only	No dividends shall be payable except out of the profits of the year or any other undistributed profits except as provided by the Act.
310.	Reserve Funds	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 applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalising dividends; and pending such application, may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

Article		Particulars
311.		The Board may also carry forward any profits, which it may think prudent not to divide. With out setting them aside as a reserve.
312.	Deductions for Arrears	The Board may deduct from any dividend payable to any members, all sums of money, ifany, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the company.
313.	Adjustment of dividend against calls	Any general meeting declaring a dividend or bonus may make a call on the members ofsuch amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.
314.	Mode of payment	Any dividend, interest or other moneys payable in cash in respect of shares may be paid 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 persons and to such address as the holder or joint holders may in writing direct.
315.		Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
316.		Every such cheque or warrant shall be posted within forty two days from the date of declaration of dividend.
317.	Receipts of Joint Holder	Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such shares.
318.	Notice of dividends	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
319.	Dividend not to bear interest	No dividend shall bear interest against the company.
320.	Unclaimed dividend	Where dividend has been declared by the company but has not been paid or trhe warrant in respect thereof has not been posted within forty two days from the date of declaration to any shareholder entitled to the payment of dividends the Company shall within 7days from the day of expiry of the said period of forty two days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of forty two days to a special account to be opened by the Company on that behalf in any Scheduled Bank to be called “Unpaid Dividend Account”.
321.		Any money transferred to the unpaid dividend account of the Company in pursuance of clause (1) which remains unpaid or unclaimed for a period of 3 years from the dateof such transfer shall be transferred by the company to the general revenue account of the central government but a clain to any money transfer to the general revenue account may be referred to the central government by the person to whom the money is due and shall be delt with such transfer to the general revenue account has not been made, the order if any for the payment of claim is being treated as order for refund of revenue. No unclaimed dividend shall be forfeited by the Board till the claim thereto becomes barred by the law and the company shall comply with all the provisions of the Act in respect of unclaimed and unpaid dividends.
322.		The Company shall when making any transfer, under these Articles, to the General Revenue Account of the Central Government any unpaid or unclaimed dividend furnish to such officer as the Central Government any appoint in this behalf a statement in the prescribed form setting forth in respect of all sums included in such transfer the nature of the sums the names and last known addresses of the persons entitled to receive the sum, the amount to which such persons are entitled to and the nature of his claim thereto and such other particulars as may be prescribed.
323.		The Company shall be entitled to a receipt from the Reserve Bank of India for any money transferred by it to the General Revenue Account of the Central Government and such receipt shall be effectual discharge of the Company in respect thereof.
324.	Right to dividend on transfer of shares	Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
		CAPITALISATION OF PROFITS
325.	Capitalisation of profits	Subject to the other provisions contained in these Articles, the Company in

Article		Particulars
		General Meeting, may upon the recommendation of the Board, resolve: a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sums be accordingly set free for distribution in the manner specified in these Articles amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
326.		The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in these Articles, either in or towards: a. paying up any amounts for the time being unpaid on any shares held by such members respectively; or b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or c. partly in the way specified in Article 326(a) and partly in that specified in Article 326(b).
327.		A share premium account and a capital redemption reserve account may, for the purpose of this regulation only, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
328.		The Board shall give effect to the resolutions passed by the Company in pursuance of this regulations.
329.	Power of declaration of bonus	Whenever such a resolution as aforesaid shall have been passed, the Boardshall: a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any; and b. generally do all acts and things required to give effect thereto.
330.		The Board shall have full power, subject to Articles 193 to 197: a. to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions; and also b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such members.
ACCOUNTS		
331.	Maintenance of books of account	The Board of directors shall cause true accounts to be kept of all sums of moneysreceived and expended by the Company and the matters in respect of which suchreceipts and expenditure takes place of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company. If the Company shall have a branch office, whether in or outside the country, proper books of accounts relating to the transactions effected at that office shall be kept at the office and proper summarised returns, made upto date at interval of not more than three months, shall be sent by the Branch Office to the Company at its

Article		Particulars
		Registered Office or to such other place in India, as the Board thinks fit, where the main books of the Company are kept. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office,.as the case may be, with respect to the matters aforesaid, and explain its transactions.
332.	Books where kept	The books of accounts shall be kept at the Registered Office or at such other places in India as the Directors think fit.
333.	Inspection by members	The Board of Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations, the account books and documents of the Company or any at them shall be open to the inspection of the members and no member (not being s Director) shall have any right of inspecting any account or books of accounts or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the company in General Meeting.
334.	Statement of accounts to be furnished at general meeting	The Board of Directors shall lay before each annual general meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be B date not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
335.	Form of the balance sheet & profit and loss account	Subject to the provisions of the Act every balance sheet and profit and loss account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. So long as the Company ii a holding Company having a subsidiary, the Company shall conform to the Act and other applicable provisions of the Act.
336.	Authentication of balance sheet and profit and loss account	Every Balance Sheet and every Profit & Loss Accounts of the Company shall be signed by the Secretary, if any, and by not less than two Directors of the Company, one of whom shall be the Managing Director where there is one, provided that when only one Director is for the time being in India, the Balance Sheet and Profit & Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit A Loss Account a statement signed by him explaining the reason of non-compliance with the provisions of this Article 336. The Balance Sheet and Profit & Loss Account shall be approved by the board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article 336 and before they are submitted to the Auditors (or their report thereon.
337.	Auditor's report to be attached	The Profit & Loss Account shall be annexed to the Balance Sheet and the Auditor's Report shall be attached thereto.
338.	Board's report to be attached to balance sheet	Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserves either in such Balance sheet; and the amount, if any, which it recommends to be paid by way of dividend, material changes and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company which the Balance Sheet relates and the date of the Report and the conservation of energy, technology absorption, foreign exchange earnings and outgo in such manner prescribed under the Companies Act, 1956.
339.		The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by Ms members deal, with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in the nature of business carried on by them and generally in the classes of business in which the Company has an interest.
340.		The Board's report shall also include statement giving particulars of Employees as per the requirement of Section 217 (2A) of the Company's Act, 1956.
341.		The Board shall also give the fullest information and explanation in its report in cases falling under the provisions to the Act in a addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
342.		The Board Report and addendum (if any) thereto shall be signed by its Chairman, if he is authorised, in that behalf by the Board, and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance sheet and the Profit and Loss Account of the Company by virtue of these Articles.

Article		Particulars
343.		The Board shall have the right to give charge to any person being a Director the duty of seeing that the Provisions of these Articles of this article are complied with.
344.	Right of members to copies of balance sheet and auditor's report	The Company shall comply with the requirements of the Act.
		ANNUAL RETURNS
345.	Annual Returns	The Company shall make the requisite Annual Return in accordance with the Act.
		AUDIT
346.	Accounts to be Audited	Every Balance Sheet and Profit & Loss Accounts shall be audited by one or more auditors to be appointed as hereinafter set out.
347.	Appointment of auditors	The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated to his appointment within 7 days. Provided that before the appointment or reappointment of Auditor or Auditors is made by the Company at any General Meeting, a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or appointments if made, will be in accordance with the limits specified in the Act . Every Auditor/s so appointed shall within 30 days of the receipt from the Company ot the intimation of his appointment shall inform to the Registrar of Companies in writing that he has accepted or refused to accept the appointment.
348.		Subject to the provisions of the Act , at any Annual General Meeting, a retiring Auditor by whatsoever authority appointed, shall be reappointed unless: a. he is not qualified for re-appointment; b. he has given to the company notice in writing of his unwillingness to be reappointed; c. a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be appointed; or d. where notice has been given of an intended resolution to appoint some person in the place or retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.
349.		Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.
350.		The Company shall within 7 days of the Central Government's power give notice of that fact to the Government.
351.		The Directors may fill any casual vacancy in the Office of an Auditor but while any such vacancy continues, the remaining Auditor or Auditors (if any), may act. Where such a vacancy is caused by the resgination of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
352.		A person, other than retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member of the Company not less that 14 days before the meeting in accordance with the Act and the Company shall send a copy of any such notice to the retiring auditor and shall given notice thereof to the members in accordance with the provisions of the Act and all other provisions of the Act shall apply in the matter. The Provisions of this Article352shall also apply to a resolution that retiring auditors shall not be re-appointed.
353.		The Persons qualified for appointment as Auditors shall be only those referred to in the Act.
354.		None of the persons mentioned in the Act who are disqualified for appointment as Auditors shall be appointed as Auditors of the Company.
355.		The Company or its Board of Directors shall not appoint or re-appoint any person or firm as its Auditors, if such person or firm is at the date of such a appointment or reappointment holds appointment as Auditor of the specified number of Companies or more than the specified number of companies, provided that in the case of the firm of auditors specified number of companies shall be construed as

Article		Particulars
		specified number of companies per partner of the firm, provided further that where any partner of the firm is also partner of any other firm of auditors the number of companies which may be taken into account by all the firms together in relation to such partner shall not exceed the specified number in the aggregate.
356.	Audit of branch offices	The Company shall comply with the provisions of the Act in relation to the Audit to the accounts of Branch offices of the Company
357.	Remuneration of auditors	The remuneration of the Auditors shall be decided by the company in General Meeting except that the remuneration of any Auditor appointed by the Board to fill any casual vacancy may be fixed by the Board.
358.	Rights and duties of an auditor	Every Auditor of the company shall have a right of access at all times to the books of accounts and vouchers of the Company, and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditor. All notices of. and other communications relating to any general meeting of the Company which any member of the Company is entitled to receive shall be sent to the Auditor.
359.		The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit & Loss Accounts and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit & Loss Accounts which are laid before the Company in Genera! Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view: a. in the case of Balance Sheet, of the state of the Company's affairs as at the end of its financial year; and b. in the case of Profit & Loss Account, of the Profit or Loss for its financial year.
360.		The Auditors Report shall also state: a. whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit; b. whether in his opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from his examination of those books, and proper returns adequate for the purpose of his audit have been received from branches not visited by him; c. whether the report on the accounts of any Branch Officer audited under the Act by a person other than the Company's auditor has been forwarded to him as required by the Act and how he has dealt with the same in preparing Auditor's Report; and d. whether the Company's Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account and returns.
361.		The accounts of the Company shall not be deemed as not having been properly drawn up on the ground merely that the Company has not disclosed certain matters if; a. those matters are such as the Company is not required to disclose by virtue of any other Act; and b. those provisions are specified in the Balance Sheet and Profit & Loss Account of the Company.
362.		The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
363.	Accounts to be conclusive	Every account of the company when audited and approved by a General Meeting shall be conclusive in all respects.
SERVICE OF DOCUMENT AND NOTICE		
364.	Service of document and notice	A document may be served on the Company or an officer thereof by sending ft to theCompany or officer at the Registered Office of the Company by post under a

Article		Particulars
		certificate of posting or by registered post, or by leaving it at its Registered Office.
365.	Documents to be served on member	A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other documents in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address (if any within India) supplied by him to the Company for the giving of notice to him.
366.		A notice or other document may be served by the Company on the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
367.		Where a document/s is sent by post: a. service thereof shall be deemed to be effected by properly addressing, prepaying and posting letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member; and b. unless the contrary is proved, such services shall be deemed to have been effected; c. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted; and d. in any other case, at the time at which the letter would be delivered in the ordinary course of post.
368.	Member to notify address in India	Each registered holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed his place of residence.
369.	Service on members having no registered address	If a member has not Registered an address in India, and has not supplied to the Company an address within India, for the giving of notices to him, a document advertised in a news paper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
370.	Service on persons acquiring shares on death or insolvency of members	A document may be served by the Company on the persons entitled to a share in consequence of the death or by insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by title or representative ot the deceased, or assignees of the insolvent by any like description at the address {if any) if India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by servicing the document in any manner in which the same might have been served if the death or insolvency had not occurred.
371.	Persons entitled to notice of general meeting	Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given: a. to the members of the Company as provided by the Articles as authorised by the Act; b. to the persons entitled to a share in consequence of the death or insolvency of a member as authorised by the Act; c. to the auditors for the time being of the Company in the manner authorised by Article in the case of any member or members of the Company; d. and to the Investors.
372.	Notice by advertisement	Subject to the provisions of the Act, any document required to be served or sent by

Article		Particulars
		the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if it is advertised, in newspaper circulating in the district in which the Registered Office is situated.
373.	Members bound by documents given to previous holders	Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which previously to his name and address being entered on the Register shall have been duly served on or sent to the person from whom he derived his title to such share.
374.	Notice duly signed	Any notice to be given by the Company shall be signed by the Managing Director or such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.
AUTHENTICATION OF DOCUMENTS		
375.	Authentication of documents and proceedings	Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.
376.	Fall away of investor rights	If Investor 1(together with its Affiliates) ceases to hold, in the aggregate, such number of Equity Shares as is equivalent to 5% (Five Per Cent) of the Share Capital of the Company, adjusted for any Adjustment Events, solely as a result of any Transfer of Equity Shares by Investor 1and/or its Affiliates, calculated on a Fully Diluted Basis, then (i) all rights of Investor 1 contained in Articles 33 to 62, Articles 193 to 197, Articles 79 to 86, Article 66, Article 69 (to the extent that such Article applies to Article 66) and Articles 71 to 77, Article 78, Articles 87 to 98, Articles 99 to 105 and Articles 106 to 112 of the Shareholders' Agreement; and (ii) all obligations of Investor 1 under the Shareholders' Agreement, shall terminate and cease to have effect.
SECRECY CLAUSE		
377.	No shareholder to enter the premises of the company without permission	No member shall be entitled to inspect the company's works without the permission of the Director or Managing Director, or to require discovery of or any information relating to any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors will not be expedient in interests of the Company to communicate to the public.
378.	Secrecy	Every Director, Managing Director, Manger, Secretary, Auditor, Trustee, Members of a Committee. Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of Accounts and in matters relating thereto and shall be such declaration pledged himself not to reveal any of the members which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles or law.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus), which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 am to 4.00 pm on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement dated December 11, 2017 amongst our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated August 23, 2017, as amended by an amendment agreement dated December 11, 2017, amongst our Company, the Selling Shareholders and Registrar to the Offer.

3. Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks and the Registrar to the Offer.

4. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

6. Agreement dated December 15, 2011, amongst NSDL, our Company and the Registrar to the Offer.

7. Agreement dated November 17, 2016, amongst CDSL, our Company and the Registrar to the Offer.

8. Share Escrow Agreement dated August 23, 2017, as amended by an amendment agreement dated December 11, 2017, amongst the Company, the Selling Shareholders and the Share Escrow Agent.

Material Documents

1. Certified copies of our Memorandum and Articles of Association, as amended till date.

2. Certified copies of the certificates of incorporation dated July 26, 1973, February 21, 2003, January 2, 2004 and January 29, 2004.

3. Resolution of our Board dated January 24, 2017, authorising the Offer.

4. Resolution of our shareholders dated March 21, 2017, under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.

5. Resolutions of our Board dated November 27, 2017 and December 11, 2017, approving this Draft Red Herring Prospectus.

6. Consent letters of the Selling Shareholders for participation in the Offer for Sale, as detailed in *"The Offer"* on page 64.

7. Shareholders' agreement dated June 23, 2014, amongst our Company, persons classified as 'Promoters' of the Company, persons classified as 'Other Shareholders' of the Company and IDBI Trusteeship Services Limited,

as trustee for IAF, the Amendment and Termination agreement dated July 6, 2017 to amend the shareholders' agreement and the consent cum waiver letter dated December 11, 2017 issued on behalf of IAF and EIF pursuant to the Shareholders' agreement dated June 23, 2014, as amended.

8. Inter-se Agreement dated December 11, 2017 amongst Dr. Bhaskar Rao Bollineni and IDBI Trusteeship Services Limited, as trustee for IAF and EIF.

9. Slump Sale Agreement dated October 25, 2016 amongst our Company and OAHPL.

10. Copies of auditors' reports of our Company for Fiscal Years 2013, 2014, 2015, 2016 and 2017 and the six month period ended September 30, 2017.

11. Copies of annual reports of our Company for Fiscal Years 2013, 2014, 2015, 2016 and 2017.

12. Examination reports of the Auditors, B S R & Associates LLP, dated November 27, 2017 on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.

13. Statement of Tax Benefits from B S R & Associates LLP dated December 11, 2017.

14. Memorandum of understanding and agreement of takeover dated August 22, 2002 amongst Jagjit Singh, Vimla Swanni, Ajit Singh, Rajinder Swanni, Kamal Nain Swanni, Jibani Singh, Gurbani Singh and Gurmeher Singh; and Dr. Bhaskar Rao Bollineni, Dr. Sambasiva Rao Maveni, Dr. S. Sahariah and Dr. A.V. Gurava Reddy.

15. Resolution of our Board dated January 24, 2017 approving the terms of appointment and remuneration of Dr. Bhaskar Rao Bollineni, upon reappointment as the Managing Director and CEO of our Company.

16. Resolution of our Board dated May 6, 2016 approving the terms of appointment and remuneration of Anitha Dandamudi as a Whole-time Director of our Company.

17. Industry report titled "Independent Market Assessment of Healthcare Industry in India" dated June 26, 2017, prepared by Frost & Sullivan.

18. Written consent of the Auditors, B S R & Associates LLP, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports, both dated November 27, 2017, on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, and (b) report dated December 11, 2017 on the statement of tax benefits available to the Company and its shareholders, which have been included in this Draft Red Herring Prospectus.

19. Written consent from B Naga Bhushan & Co., Chartered Accountants to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate of key performance indicators dated December 11, 2017.

20. Deed of guarantee dated June 4, 2016 issued in favour of Andhra Bank, Syndicate Bank and Vijaya Bank by Seenaiah Bollineni, Krishnaiah Bollineni, Dr. Bhaskar Rao Bollineni and Anitha Dandamudi.

21. General form of guarantee dated October 13, 2016 issued in favour of Andhra Bank by Seenaiah Bollineni, Krishnaiah Bollineni, Dr. Bhaskar Rao Bollineni and Anitha Dandamudi.

22. Consents of the Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officers, Statutory Auditors, Frost & Sullivan, legal counsels, Refund Bank as referred to, in their respective capacities.

23. In-principle listing approvals dated [●] and [●] received from BSE and NSE, respectively.

24. Due diligence certificate dated December 11, 2017 to SEBI from the BRLMs.

25. SEBI observation letter [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Krishnaiah Bollineni
Non-executive Chairman ______________________________

Dr. Bhaskar Rao Bollineni
Managing Director and CEO ______________________________

Anitha Dandamudi
Whole-time Director ______________________________

Padmanabhaiah Jankiramiah Kantipudi
Independent Director ______________________________

Rajeswara Rao Gandu
Independent Director ______________________________

Sanjeev Sehrawat
Non-executive (Nominee) Director ______________________________

SIGNED BY CHIEF FINANCIAL OFFICER

____
Vikas Maheshwari
Chief Financial Officer

Place: Hyderabad
Date: December 11, 2017

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Jyothi Prasad
Independent Director ______________________________

Place: Hyderabad
Date: December 11, 2017

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Amitabha Guha
Independent Director ______________________________

Place: Hyderabad
Date: December 11, 2017

DECLARATION BY INDIA ADVANTAGE FUND - S3 I, AS A SELLING SHAREHOLDER

India Advantage Fund - S3 I confirms that all statements and undertakings expressly made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the IAF Offered Shares are true and correct. India Advantage Fund - S3 I assumes no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

For and on behalf of India Advantage Fund - S3 I

ICICI Venture Funds Management Company Limited (in its capacity as investment manager to India Advantage Fund - S3 I)

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Name: Madhusudhan Nair
Designation: Head – Legal & Compliance

Date: December 11, 2017
Place: Mumbai

DECLARATION BY EMERGING INDIA FUND, AS A SELLING SHAREHOLDER

Emerging India Fund confirms that all statements and undertakings expressly made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the EIF Offered Shares are true and correct. Emerging India Fund assumes no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

For and on behalf of Emerging India Fund

ICICI Venture Funds Management Company Limited (in its capacity as investment manager to Emerging India Fund)

Name: Madhusudhan Nair
Designation: Head – Legal & Compliance

Date: December 11, 2017
Place: Mumbai

DECLARATION BY DR. BHASKAR RAO BOLLINENI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

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Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION BY RAJYASRI BOLLINENI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

____

Name: Rajyasri Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION BY SEENAIAH BOLLINENI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

Name: Seenaiah Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF DR. RAJENDRA KUMAR PREMCHAND, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Dr. Rajendra Kumar Premchand, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

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Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF SITARAM PRASAD GOGINENI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Sitaram Prasad Gogineni, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF DR. MANAS KUMAR PANIGRAHI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Dr. Manas Kumar Panigrahi, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

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Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF JAYANTHI GAVINI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Jayanthi Gavini, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

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Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF GAVINI SATYANARAYANA, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Gavini Satyanarayana, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

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Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF DR. PYAR ALI JIWANI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Dr. Pyar Ali Jiwani, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad

DECLARATION ON BEHALF OF DR. GARIPALLI RAVIKANTH, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings expressly made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, as a Selling Shareholder, assume no responsibility for any other statements, including statements made by the Company or any other Selling Shareholder or any other person in this Draft Red Herring Prospectus.

Signed

For and on behalf of Dr. Garipalli Ravikanth, acting through Dr. Bhaskar Rao Bollineni, power of attorney holder

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Name: Dr. Bhaskar Rao Bollineni

Date: December 11, 2017
Place: Hyderabad