DRAFT RED HERRING PROSPECTUS
Dated: September 5, 2021
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

HEALTHIUM MEDTECH LIMITED

Our Company was incorporated as Sutures India Private Limited at Bengaluru, Karnataka, as a private limited company, under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 28, 1992 issued by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**"). Subsequently, the name of our Company was changed to Healthium Medtech Private Limited and a fresh certificate of incorporation was issued by the RoC dated May 25, 2017. Subsequently, our Company converted from a private limited company to a public limited company and the name of our Company was changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation granted to our Company by the RoC, dated August 4, 2021, consequent to such change of name. For further details on the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 173.

Registered Office: 472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru 560058, Karnataka, India; **Tel**: +91 80 4186 8000
Corporate Office: RMZ North Star, Cowrks, 12th Floor, Adjacent to RMZ Galleria Mall, Yelahanka, Bengaluru 560064, Karnataka, India.
Website: www.healthiummedtech.com; **Contact Person**: Pallavi Karkera, Company Secretary and Compliance Officer; **E-mail**: cs@healthiummedtech.com
Corporate Identity Number: U03311KA1992PLC013831

OUR PROMOTER: QUINAG ACQUISITION (FDI) LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF HEALTHIUM MEDTECH LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("OFFER PRICE"), AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,900.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 39,100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING UP TO 39,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY QUINAG ACQUISITION (FDI) LIMITED ("PROMOTER SELLING SHAREHOLDER") AND UP TO 100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY MAHADEVAN NARAYANAMONI ("INDIVIDUAL SELLING SHAREHOLDER" TOGETHER WITH THE PROMOTER SELLING SHAREHOLER, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES, THE "OFFERED SHARES") (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITIONS OF [●], A KANNADA DAILY NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholder in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. 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 RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA Account (including UPI ID for RIBs using UPI Mechanism), in which the corresponding Bid Amounts will be blocked by the SCSBs or the Sponsor Bank, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 481.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of equity shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price and Offer Price, as determined and justified by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated under "*Basis for Offer Price*" on page 96, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the prospective investors is invited to "*Risk Factors*" on page 24.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) of the Companies Act. 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 500.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre, H. T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India **Tel:** +91 22 2288 2460 **E-mail:** healthium.ipo@icicisecurities.com **Investor Grievance E-mail**: customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person**: Shekher Asnani/ Nidhi Wangnoo **SEBI Registration No**.: INM000011179	**CLSA India Private Limited** 8/F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India **Tel**: +91 22 6650 5050 **E-mail**: healthium.ipo@clsa.com **Investor Grievance E-mail**: investor.helpdesk@clsa.com **Website**: www.india.clsa.com **Contact Person**: Sarfaraz Agboatwala / Siddhant Thakur **SEBI Registration No**.: INM000010619	**Credit Suisse Securities (India) Private Limited** 9th Floor, Ceejay House Plot F Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India **Tel**: +91 22 6777 3885 **E-mail**: list.healthiumipo@credit-suisse.com **Investor Grievance E-mail**: list.igcellmer-bnkg@credit-suisse.com **Website**: www.credit-suisse.com **Contact Person**: Abhishek Joshi **SEBI Registration No.**: INM000011161	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India **Tel**: +91 22 4037 4037 **E-mail**: healthiumipo@nomura.com **Investor Grievance E-mail**: investorgrievances-in@nomura.com **Website**:www.nomuraholdings.com/company/group/asia/india/index.html **Contact Person**: Vishal Kanjani / Chirag Shah **SEBI Registration No**.: INM000011419	**KFin Technologies Private Limited** Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareedi 500 032, Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: hml.ipo@kfintech.com **Investor Grievance E-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna **SEBI Registration No**.: INR000000221

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON	[●](1)	**BID/ OFFER CLOSES ON**	[●](2)

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

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 114, 167, 98, 207, 96, 453 and 496 respectively shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", or "the Issuer"	Healthium Medtech Limited having its registered office at 472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru 560058, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, as applicable, as at and during the relevant period/ Financial Year

Company and Selling Shareholder Related Terms

Term	Description
AbGel	Business of manufacture and sale of surgical haemostatic gelatine sponge under the brand "AbGel", acquired by our Company through the business transfer agreement dated May 26, 2021, as amended on July 9, 2021. For details, see "*History and Certain Corporate Matters*" on page 173.
Ahmedabad Facility	Our licensed manufacturing facility located at Ahmedabad, Gujarat
"Articles of Association", "Articles" or "AoA"	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the Listing Regulations, and as described in "*Our Management*" on page 185.
"Auditors" or "Statutory Auditors"	Current statutory auditors of our Company, namely, S. R. Batliboi & Associates LLP
Bengaluru Facility	Our manufacturing facility located at Bengaluru, Karnataka
Bengaluru Unit I	One unit located at our Bengaluru Facility
Bengaluru Unit II	Second unit located at our Bengaluru Facility
"Board" or "Board of Directors"	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof
Financial Statements of Acquired Businesses and Entities	Together, the audited consolidated financial statements of VitalCare for the year ended March 31, 2021, the audited special purpose carve out financial statements of AbGel for the year ended March 31, 2021 and the audited special purpose financial statements of CareNow for the year ended March 31, 2021
CEO	Chief Executive Officer of our Company, being Anish Bafna. For details, see "*Our Management*" on page 185.
"CFO" or "Chief Financial Officer"	Chief Financial Officer of our Company, being Vishal Maheshwari. For details, see "*Our Management*" on page 185.
Coimbatore Facility	Our manufacturing facility located at Coimbatore, Tamil Nadu
Company Secretary and Compliance Officer	Company Secretary and the Compliance Officer of our Company, appointed in accordance with the requirements of the Listing Regulations and the SEBI ICDR Regulations, being Pallavi Karkera. For details, see "*Our Management*" on page 185.
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act and as described in "*Our Management*" on page 185.
COO	Chief operating officer of our Company, being Mohammed Azeez. For details, see "*Our Management*" on page 185.
Corporate Office	RMZ North Star, Cowrks, 12th Floor, Adjacent to RMZ Galleria Mall, Yelahanka, Bengaluru 560064, Karnataka, India
Director(s)	The directors on our Board, as appointed from time to time
ESIP - Performance Based	Healthium Performance Based Key Employee Stock Incentive Plan 2019

Term	Description
ESIP - Time Based	Healthium Time Based Key Employee Stock Incentive Plan 2019
"ESOP" or "Employee Stock Option Scheme"	Together, ESIP - Performance Based and ESIP - Time Based
ESOP 2014	Employee Stock Option Scheme 2014
ESOP 2016	Employee Stock Option Scheme 2016
Equity Shares	Equity shares of our Company of face value of ₹ 1 each
Executive Director	An executive director of our Company
Frost & Sullivan	Frost & Sullivan (India) Private Limited
Frost & Sullivan Report	Report titled "Independent Market Report on Surgical Devices and Medical Consumables Market in Select Geographies" dated September 3, 2021 issued by Frost & Sullivan
Group Company	Our group company*, namely Tummel Holdco Limited, as disclosed in *"Our Group Companies"* on page 204. ** Our Company has filed an exemption application dated September 5, 2021 under Regulation 300(1)(c) of the SEBI ICDR Regulations with SEBI seeking an exemption from considering and disclosing (i) Yasour Co. for Medical Supplies and (ii) Imperial Consulting (London) Limited as group companies of the Company under the SEBI ICDR Regulations.*
Independent Directors	Non-executive independent directors on our Board, appointed as per the Companies Act and the Listing Regulations, and as described in "*Our Management*" on page 185.
IPO Committee	The IPO committee of our Company as described in "*Our Management*" on page 185.
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as described in "*Our Management*" on page 185.
Kunigal Facility	Our manufacturing facility located at Kunigal, Karnataka
"Managing Director" or "MD"	The Managing Director of our Company, as identified under Section 2(54) of the Companies Act, being Anish Bafna. For details, see "*Our Management*" on page 185.
Material Subsidiaries	Together, Quality Needles Private Limited, Clinisupplies Limited and Healthium OEM Private Limited, as on March 31, 2021
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Mumbai Facility	Our manufacturing facility located at Mumbai, Maharashtra
Nanjing Facility	Our manufacturing facility located at Nanjing, China
Noida Facility	Our manufacturing facility located at Noida, Uttar Pradesh
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the Listing Regulations, as described in "*Our Management*" on page 185.
"Non-Executive Independent Director"	An independent director on our Board as appointed from time to time, other than the Executive Directors and the Managing Director as described in "*Our Management*" on page 185.
Non-Executive Nominee Director	A nominee director on our Board as appointed from time to time, other than the Executive Directors and the Managing Director as described in "*Our Management*" on page 185.
Prior ESOP Schemes	ESOP 2014 and ESOP 2016
Proforma Consolidated Financial Information	The unaudited proforma consolidated financial information for illustrative purposes presented in "*Proforma Consolidated Financial Information*" on page 320 by the Company, comprising of the proforma consolidated balance sheet as at March 31, 2021, the proforma consolidated statement of profit and loss for the year ended March 31, 2021 and notes to the proforma consolidated financial information as at and for the year ended March 31, 2021, to illustrate the impact of the acquisition, of (i) VitalCare Trading (UK) Limited together with its wholly owned subsidiaries VitalCare (Nanjing) Co. Limited and VitalCare Limited, (ii) CareNow Medical Private Limited as our Subsidiary, and (ii) the acquisition of the AbGel business, on our financial position, as if these acquisition had taken place as at March 31, 2021 for the purpose of proforma consolidated balance sheet and as at April 1, 2020 for the purpose of proforma consolidated statement of profit and loss, respectively
Promoter	Promoter of our Company, namely, Quinag Acquisition (FDI) Limited. For details, see "*Our Promoter and Promoter Group"* on page 202.
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter and Promoter Group*" on page 202.
"Promoter Selling Shareholder" or "Quinag"	Quinag Acquisition (FDI) Limited
Registered Office	472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru 560058, Karnataka, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Karnataka at Bengaluru

Term	Description
Restated Financial Information	Restated consolidated summary statement of assets and liabilities of our Company and Subsidiaries, as at March 31, 2021, March 31, 2020 and March 31, 2019 and the related restated consolidated summary statements of profit and loss and restated consolidated summary statement of cash flows, including other comprehensive income for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with its notes, annexures and schedules derived from respective audited financial statements, prepared in accordance with the applicable provisions of the Companies Act and Ind AS, and restated in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI and the SEBI ICDR Regulations
Risk Management Committee	Risk management committee of our Company, constituted in accordance with the Listing Regulations and as described in "*Our Management*" on page 185.
Selling Shareholders	The Promoter Selling Shareholder together with Mahadevan Narayanamoni
Shareholders	The holders of Equity Shares from time to time
Sri City Facility	Our manufacturing facility located at Sri City, Andhra Pradesh
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act and the Listing Regulations and as described in "*Our Management*" on page 185.
Subsidiary(ies)	Subsidiaries of our Company as of the date of this DRHP and as identified under the provisions of the Companies Act and the applicable accounting standards, namely: *Indian Subsidiaries* 1. Healthium OEM Private Limited ("**HOPL**")# 2. Quality Needles Private Limited ("**QNPL**") 3. CareNow Medical Private Limited ("**Carenow**') *Foreign Subsidiaries* 4. Sironix Medical Technologies B.V. ("**Sironix**") 5. Sironium Medical Technologies Limited ("**Sironium**") 6. Mena Medical Manufacturing (FZC) ("**MENA**")* 7. Clinidirect Limited ("**Clinidirect**") 8. Clinisupplies Limited ("**Clinisupplies**") 9. Meditex Supplies Limited ("**Meditex**") 10. VitalCare Trading (UK) Limited ("**VitalCare**") 11. VitalCare Limited (Ireland) ("**VitalCare Ireland**") 12. VitalCare (Nanjing) Co. Limited ("**VitalCare China**") # *Healthium OEM Private Limited is in the process of merging with our Company. For further details, please see "History and Certain Corporate Matters" on page 173.* * *The entity is in the process of liquidation. For further details, please see "Risk Factors" on page 24* For the purpose of Restated Financial Information and other financial information in this offer document, subsidiaries of our Company would mean subsidiaries as at or during the relevant Fiscal
Whole-time Director	A whole-time Director on our Board. For details, see "*Our Management*" on page 185.

Offer Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot", "Allotment" or "Allotted"	Unless the context otherwise requires, allotment or transfer, as the case may be, of the Equity Shares pursuant to the Offer to successful Bidders
Allotment Advice	Note or 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 the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million. For further details, see "*Offer Procedure*" on page 481.
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs during the Anchor Investor Bid/ Offer Period

Term	Description
Anchor Investor Application Form	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 Prospectus
Anchor Investor Bid/ Offer Period	The day, being one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring 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 Promoter Selling Shareholder in consultation with the BRLMs
Anchor Investor Pay-In Date	Anchor Investor Bid / Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, to Anchor Investors on a discretionary basis One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account, including applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	All Bidders except Anchor Investors
ASBA Form	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
Banker(s) to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" beginning on page 481.
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation Our Company and the Promoter Selling Shareholder in consultation with the BRLMs may, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, 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 national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation

Term	Description
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for the QIB Portion one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, I-Sec, CLSA, Credit Suisse and Nomura
Broker Centres	Centres notified by the Stock Exchanges where ASBA 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 (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, on or after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member(s), the Sponsor Bank, the Escrow Collection Bank, the Public Offer Bank and the Refund Bank, for appointment of the Sponsor Bank in accordance with the UPI Circulars, collection of the Bid Amounts and where applicable, remitting refunds (if any) on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
CLSA	CLSA India Private Limited
"Collecting Depository Participant" or "CDP"	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 as per the list available on the websites of the Stock Exchanges
Credit Suisse	Credit Suisse Securities (India) Private Limited
Cut-off Price	Offer Price, finalised by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders Bidding in the Retail 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	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIBs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs

Term	Description
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 (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 5, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitute an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Non lien and non-interest bearing accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are a clearing members and registered with SEBI as banker(s) to an issue, under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Account in relation to the Offer for Bids by Anchor Investors, will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue component of the Offer, comprising an issuance of up to [●] Equity Shares aggregating up to ₹3,900.00 million by our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
I-Sec	ICICI Securities Limited
Monitoring Agency	[●]
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 Proceeds	Proceeds from the Fresh Issue, less the Offer expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 86.
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders 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 Portion	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA and includes NRIs, FVCIs, VCFs, and FPIs
Offer	The initial public offer of Equity Shares comprising of the Fresh Issue and the Offer for Sale.
Offer Agreement	Agreement dated September 5, 2021 amongst our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of the Offered Shares, at the Offer Price aggregating up to ₹[●] million offered for sale by the Selling Shareholders in the Offer
Offer Price	The final price (within the Price Band) at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs in terms of the Red Herring Prospectus

Term	Description
	The Offer Price will be decided by our Company and the Promoter Selling Shareholder 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	Up to 39,100,000 Equity Shares aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer for Sale
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof The Price Band, and the minimum Bid Lot size for the Offer will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company and the Promoter Selling Shareholder in consultation with the BRLMs, will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 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	No lien and non-interest bearing account to be opened with the Public Offer Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an offer and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
"Qualified Institutional Buyers", "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	No lien and non-interest bearing account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated September 2, 2021 amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of the Stock Exchanges, and the UPI Circulars
Registrar to the Offer	KFin Technologies Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their *karta* and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of

Term	Description
	SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on the SEBI website
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders, the Syndicate Members and the Registrar to the Offer, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement to be entered into amongst our Company, the Selling Shareholders and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface, which is an instant payment mechanism developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The mechanism that may be used by an RIB as a mode of payment in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate a UPI transaction
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/ Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars

Technical/ Industry Related Terms/ Abbreviations

Term	Description
ACL	Anterior cruciate ligament
Adjusted Capital Employed	Capital employed less goodwill
BIRAC	Biotechnology Industry Research Assistant Council
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 (^ denotes 'raised to')

Term	Description
Capital Employed	Total assets less current liabilities
CCPA	California Consumer Privacy Act
CE	Conformitè Europëenne
Class III medical device	Class III medical devices usually sustain or support life, are implanted, or present potential unreasonable risk of illness or injury
CRM	Customer relationship management
DAC license	Dispensing appliance contractor license
DKSH	DKSH International (S) Pte. Limited and its subsidiaries
DPCO	The Drugs (Prices Control) Order, 2013
EBIT	EBITDA less depreciation and amortization expenses
EBITDA	Restated profit for the year plus income tax expense, plus depreciation and amortization expense, plus finance costs, less finance income
EBITDA Margin	EBITDA as a percentage of revenue from operations
ERP	Enterprise resource planning
EU	European Union
EU MDD	EU Medical Devices Directive
EU MDR	EU Medical Devices Regulations
GDPR	General Data Protection Regulation
ISO	International Organization for standardization
KLD	Kilo liters / day
medtech	Medical technology
MHRA	Medicines and Healthcare products Regulatory Agency
MOH	Ministry of Health
NABL	National Accreditation Board for Testing and Calibration Laboratories
NAFDAC	National Agency for Food & Drug Administration
NHS	National Health Service
PAT Margin	Restated profit for the year as a percentage of revenue from operations
PVC	Polyvinyl chloride
ROE	Restated profit for the year divided by (total equity less goodwill)
ROCE	EBIT divided by adjusted capital employed
SKU	Stock keeping unit
TGA	Therapeutic goods administration
UK Drug Tariff	NHS prescription reimbursement system
US FDA	US Food and Drug Administration

Conventional and General Term or Abbreviations

Term	Description
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees
AED	United Arab Emirates Dirham
AIFs	Alternative Investments Funds, as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year	A calendar year is a one-year period that begins on January 1 and ends on December 31, based on the commonly used Gregorian calendar
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations

Term	Description
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder
Copyright Act	The Copyright Act, 1957
COVID-19	The coronavirus disease, 2019 is an infectious disease caused by a coronavirus.
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*)
"DP" or "Depository Participant"	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EU MDD	European Union Medical Devices Directive
EU MDR	European Union's Medical Device Regulations
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 28, 2020 effective from October 15, 2020, issued by the DPIIT
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-Debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year", "Fiscal" 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(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
"GoI", "Government" or "Central Government"	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family(ies)
ICAI	The Institute of Chartered Accountants of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards referred to in the Companies Act and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
MCA	Ministry of Corporate Affairs, Government of India
MSME	Micro, small or medium enterprise
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable

Term	Description
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NPCI	National Payments Corporation of India
NRE Account	Non-resident rupee account
NRI	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, 2016 or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 i.e. October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	An individual resident outside India who is registered as an Overseas Citizen of India Cardholder under section 7(A) of the Citizenship Act, 1955
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
RTA	Registrars to an Issue and Share Transfer Agents
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	SEBI (Foreign Venture Capital Investors) Regulations 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008
SEBI Merchant Banker Regulations	SEBI (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021
SEBI VCF Regulations	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
S$	Singapore Dollars, the official currency of Singapore
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax

Term	Description
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Trade Mark Act	Trade Mark Act, 1999
U.S. FDA	United States Food and Drug Administration
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. Securities Act	U.S. Securities Act of 1933, as amended
"U.S.", "USA" or "United States"	United States of America
"USD", "US$" or "$"	United States Dollars, the official currency of the United States
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and certain disclosures included in this DRHP, and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Our Promoter and Promoter Group". "Financial Statements", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 24, 86, 141, 114, 69, 57, 202, 207, 453, 481 and 496 respectively.

Summary of the primary business of the Company	We are a global medtech company focused on products used in surgical, post-surgical and chronic care. Our vision is to deliver access to precision medtech products to every patient globally. We operate across three key markets, India, UK and rest of the world and four focus areas, namely, advanced surgery, urology, arthroscopy and wound care.
Summary of the Industry	The global market for surgical consumables, arthroscopy and urology is expected to grow at a CAGR of 4.99 % between 2021 and 2025 and estimated to be USD 28.75 billion in 2025. The demand for surgical consumables and arthroscopy is based on the volume of inpatient treatment and surgical procedures which are expected to grow at 5.11% CAGR between 2021 and 2025. The market for surgical consumables and arthroscopy in India is estimated to be USD 455.84 million in 2021 and estimated to grow at a CAGR of 9.60% between 2021 and 2025. The demand for surgical consumables and arthroscopy is based on the volume of inpatient treatment and surgical procedures which are expected to grow at 9.83% CAGR between 2021 and 2025. The Indian surgical consumables market is expected to grow at a CAGR of 15.47% over the next two calendar years, driven by surgery volumes growing at a CAGR of 9.83% (2021-25). The urology consumables market in the UK is expected to grow at a CAGR of 4.60% between 2021 and 2025.
Name of Promoter	Quinag Acquisition (FDI) Limited. For details, see "*Our Promoters and Promoter Group*" on page 202.
Offer size	The following table summarizes the details of the Offer size: (see table below)

Offer of Equity Shares[(1)(2)]	Up to [●] Equity Shares aggregating up to ₹ [●] million
The Offer consists of:	
(i) Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹ 3,900.00 million
(ii) Offer for Sale[(2)]	Up to 39,100,000 Equity Shares aggregating up to ₹ [●] million

(1) The Offer has been authorised by our Board pursuant to resolution passed on September 1, 2021 and by our Shareholders pursuant to a resolution passed on September 2, 2021.

(2) The Selling Shareholders have specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 462.

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

For further details, see "Offer Structure" and "The Offer" beginning on pages 479 and 57.

Objects of the Offer

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

Sr. No.	Particulars	Amount (₹ in million)
1.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	500.90
2.	Investment into our Subsidiaries, Sironix, Clinisupplies and Quality Needles	1,794.56
3.	Acquisitions and other strategic initiatives[(1)]	580.00
4.	General corporate purposes [(2)]	[●]
	Total	[●]

(1) The amount utilised for acquisition and other strategic initiatives shall not exceed 15% of the Net Proceeds.

(2) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

Aggregate pre-Offer shareholding of our Promoter and Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital

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

Name	Number of Equity Shares	Percentage of the pre-Offer paid up Equity Share Capital
Promoter		
Quinag Acquisition (FDI) Limited	97,551,030	99.79
Total (A)	**97,551,030**	**99.79**
Promoter Group		
Nil	-	-
Total (B)	**-**	**-**
Total (C=A+B)	**97,551,030**	**99.79**

	(b) The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital
Quinag Acquisition (FDI) Limited	97,551,030	99.79
Mahadevan Narayanamoni	116,052	0.12
Total	**97,667,082**	**99.90**

Summary of Selected Financial Information

(a) The details of our equity share capital, net worth, restated net asset value per Equity Share and total borrowings as at March 31, 2021, 2020 and 2019 derived from the Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	As at March 31,		
	2021	2020	2019
(A) Equity share capital	92.56	92.47	92.47
(B) Net worth[1]	9,814.72	9,189.57	9,616.41
(C) Restated net asset value per Equity Share[2] (₹)	211.68	198.75	207.98
(D) Total Borrowings[3]	979.55	898.99	648.50

Note:

(1) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

(2) Calculated as Net worth divided by number of equity shares outstanding as at the year end including vested stock Options

(3) Sum of current liabilities-borrowings and non-current liabilities-borrowings; includes current maturities of long term borrowings

(b) The details of our total income, restated profit for the year and restated earnings per Equity Share (basic and diluted) for Fiscals 2021, 2020 and 2019 derived from Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	For the financial year ended March 31,		
	2021	2020	2019
Total income	7,267.58	6,523.81	5,889.04
Restated profit for the year	854.28	367.60	137.31
Restated earnings per Equity Share			
- Basic[1] (₹)	18.47	7.95	2.97
- Diluted[2] (₹)	18.47	7.95	2.97

Notes:

(1) Basic EPS amounts are calculated by dividing the restated profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

(2) Diluted EPS amounts are calculated by dividing the restated profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

Auditor's qualifications which have not been given effect to in the Restated Financial Information

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoter, Directors and Subsidiaries as disclosed in "*Outstanding Litigation and Material Developments*" on page 453, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated September 1, 2021, as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved*
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	Nil	Nil
Criminal cases	1	Not quantifiable
Action taken by statutory and regulatory authorities	5	128.41
Taxation cases	8	69.75
By our Company		

Material civil litigation proceedings	3	87.65
Criminal cases	35	7.85
Litigation involving our Directors		
Against our Directors		
Material civil litigation proceedings	Nil	Nil
Criminal cases	4	Not quantifiable
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Directors		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Promoters		
Against our Promoters		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Promoters		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	1	Not quantifiable
Taxation cases	2	53.89
By our Subsidiaries		
Material civil litigation proceedings	1	9.93
Criminal cases	1	0.34

* *To the extent quantifiable and ascertainable.*

Risk Factors

Specific attention of the investors is invited to "*Risk Factors*" on page 24 to have an informed view before making the investment decision.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2021 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(₹ in million)

Particulars	As at March 31, 2021
Bank guarantee	33.40
Claims against the group not acknowledged as debts	
Excise duty matters, under appeal	-
Income tax matters	59.42
Customs duty matters, under appeal	1.19
Service tax matters, under appeal	16.82
VAT/CST matters	1.01
National Pharmaceutical Pricing Authority ('NPPA')	49.21

For further details of our contingent liabilities as at March 31, 2021, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see "*Financial Statements – Annexure VI – Notes to Restated Consolidated Summary Statement*" on page 263.

Summary of related party transactions

The details of related party transactions of our Company as at and for the fiscal years ended March 31, 2021, 2020 and 2019, as per Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations are set forth in the table below:

Sr. No.	Name of Related Party	Nature of Transactions	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
			(₹ in million)		
Transactions with related parties					
1	Quinag Acquisition (FDI) Ltd	Loan received	74.37	-	563.13
		Loan repaid	22.40	-	35.20
		Interest cost	40.45	45.84	33.27
		Dividend paid	311.72	671.45	72.51
2	Mr. Vishal Maheshwari	Issue of equity shares on preferential allotment	7.50	-	-

3	Mr. Sudarshan Kailash Chandra Jain	Issue of equity shares on preferential allotment	3.00	-	-
4	Ms. Kankana Barua	Issue of equity shares on preferential allotment	9.53	-	-
5	Mr. Vishal Maheshwari	Dividend paid	0.11	-	-
6	Mr. Sudarshan Kailash Chandra Jain	Dividend paid	0.04	-	-
7	Ms. Kankana Barua	Dividend paid	0.14	-	-
8	Imperial Consulting (London) Limited	Professional services (included in CWIP)	-	-	11.07
9	Yasour Co.	Commission paid	-	-	22.99
	Key management personnel:				
1	Mr. Mohammed Azeez	Remuneration paid*	7.81	10.72	8.38
2	Mr. Dinesh Kumar Lodha	Remuneration paid*	-	-	41.24
3	Mr. KS Reddy	Remuneration paid*	-	9.60	9.69
4	Mr. Viney Sagar Sahgal	Remuneration paid*	-	-	16.04
5	Mr. Vivek Vinod Singh	Remuneration paid*	14.04	11.96	0.22
6	Mr. Sridhar	Remuneration paid*	-	-	16.06
7	Mr. Paul Cook	Remuneration paid*	22.02	17.94	20.40
8	Mr. Samik Basu	Remuneration paid*	16.18	11.68	6.39
9	Mr. Anish Bafna	Remuneration paid*	59.98	56.06	77.25
10	Mr. Vishal Maheshwari	Remuneration paid*	16.83	12.48	5.39
11	Ms. Pallavi Karkera	Remuneration paid*	1.41	0.32	-
12	Ms. Shrithee Megaji Shekar	Remuneration paid*	0.10	0.66	-
13	Ms. Kankana Barua	Remuneration paid*	11.00	-	-
14	Mr. Mohammed Azeez	Reimbursement of expenses	0.24	0.24	-
15	Mr. KS Reddy	Reimbursement of expenses	-	0.23	-
16	Mr. Anish Bafna	Reimbursement of expenses	-	-	5.16
17	Mr. Mahadevan Narayanamoni	Professional fees	-	-	9.65
18	Mr. Ramesh Subrahmanian	Consultancy service **	1.94	-	-
19	Mr. Ajay Gupta	Consultancy service **	1.13	-	-

* As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.

During the year ended 31 March 2021, the Company has granted 4,890 options and 1,050 options (31 March 2020: 1,581,100 options and 339,500 options) to key management personnel under PMIP and TMIP respectively. The amount pertaining to these options are not included above.

As at 31 March 2021, CliniSupplies Limited has outstanding 3,550 (31 March 2020: 3,550 and 31 March 2019: 3,500) Class G Preference Shares to key management personnel.

** During the year ended 31 March 2021, the Ultimate Holding Company has granted 201,100 options to 2 non-executive additional directors of the Company. The amount pertaining to these options are not included above.

The following are the details of the transactions eliminated, on consolidation, during the year ended 31 March 2021, 31 March 2020 and 31 March 2019:

Sr. No.	Name of Related Party	Nature of Transactions	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020	For the Financial Year ended March 31, 2019
			(₹ in million)		
(i)	**Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)**				
	Healthium OEM Private Limited	Purchase of license	-	-	2.75
		Dividend income	356.83	553.99	-
	Mena Medical Manufacturing (FZC)	Sale of goods	-	14.62	46.36
		Re-imbursement of expense	-	-	0.31
		Impairment provision for doubtful intercorporate loan	-	61.00	154.03
		Impairment of investments	-	1.12	-
		Provision/(Reversal) for Doubtful Debts	(2.51)	21.86	-
		Interest income	-	-	12.63
	Sironix Medical Technologies BV	Expenses incurred on behalf of subsidiary	-	-	2.27
		Loans given	29.25	-	166.07

			Received against repayment of loan & interest	68.19	-	-
			Impairment provision for doubtful intercorporate loan	-	-	36.25
			Interest income	27.63	33.01	43.94
		Quality Needles Private Limited	Purchase of goods	72.76	128.64	72.90
			Sale of goods	-	6.28	-
			Employee share based payments	4.44	4.80	6.97
			Employee benefit expenses (cross charge)	-	1.33	-
			Capital expenditure (cross charge)	2.89	-	-
		Clinisupplies Limited	Sale of goods	175.62	114.28	148.98
			Shared service income	9.14	10.60	7.13
			Purchase of goods	-	0.07	-
		Sironium Medical Technologies Limited	Investments in equity shares during the year	-	35.57	0.45
	(ii)	**Healthium OEM Private Limited**				
		Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)	Sale of goods	-	-	2.75
			Dividend paid	356.83	553.99	-
		Quality Needles Private Limited	Dividend received	356.77	577.60	-
	(iii)	**Quality Needles Private Limited**				
		Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)	Sale of goods	72.76	128.64	72.90
			Purchase of goods	-	6.28	-
			Employee share based payments	4.44	4.80	6.97
			Employee benefit expenses (cross charge)	-	1.33	-
			Capital expenditure (cross charge)	2.89	-	-
		Healthium OEM Private Limited	Dividend paid	356.77	577.60	-
	(iv)	**Mena Medical Manufacturing (FZC)**				
		Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)	Purchase of goods	-	14.62	46.36
			Re-imbursement of expense	-	-	0.31
			Interest expense	-	-	12.63
	(v)	**Sironix Medical Technologies BV**				
		Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)	Expenses incurred by parent company	-	-	2.27
			Loans taken	29.25	-	166.07
			Repayment of loan & interest	68.19	-	-
			Interest expense	27.63	33.01	43.94
		Clinisupplies Limited	Dividend received	-	8.05	18.57
	(vi)	**Clinisupplies Limited (including Meditex Supplies Limited)**				
		Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)	Purchase of goods	175.62	114.28	148.98
			Shared service expense	9.14	10.60	7.13
			Sale of goods	-	0.07	-
		Sironium Medical Technologies Limited	Reimbursement of expenses (Receivable)	-	-	0.09
			Reimbursement of expenses (Payable)	-	12.56	-
		Clinidirect Limited	Sale of goods	1.49	1.11	1.54
			Expense incurred on behalf of fellow subsidiary	32.30	9.82	41.42
		Sironix Medical Technologies BV	Dividend paid	-	8.05	18.57
	(vii)	**Clinidirect Limited**				
		Clinisupplies Limited	Purchase of goods	1.49	1.11	1.54
			Expense incurred by fellow subsidiary	32.30	9.82	41.42

(viii)	**Sironium Medical Technologies Limited**				
	Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)	Investments in equity shares during the year	-	35.57	0.45
	Clinisupplies Limited	Reimbursement of expenses (Payable)	-	-	0.09
		Reimbursement of expenses (Receivable)	-	12.56	-

Details of all financing arrangements whereby the Promoter, members of the Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus

Our Promoter, member of our Promoter Group, directors of our Promoter, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoter and Selling Shareholders, in the last one year

Category of Shareholder	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)#
Selling Shareholders		
Quinag Acquisition (FDI) Limited*	5,188,824	250.00
Mahadevan Narayanamoni	6,172	250.00

As certified by Manian and Rao, Chartered Accountants, in their certificate dated September 5, 2021

* *Also the Promoter*

Average cost of acquisition of shares of our Promoter and the Selling Shareholders

Name	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)#
Selling Shareholders		
Quinag Acquisition (FDI) Limited *	97,551,030	228.98
Mahadevan Narayanamoni	116,052	142.90

As certified by Manian and Rao, Chartered Accountants, in their certificate dated September 5, 2021

* *Also the Promoter*

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

Any issuance of Equity Shares in the last one year for consideration other than cash

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

Any split/consolidation of Equity

Except as disclosed below, our Company has not undertaken sub-division or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus:

Date	Particulars

Shares in the last one year	August 7, 2021	Each equity share of face value of ₹2 each was sub-divided into equity share of face value of ₹1 each.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions. All references to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references to "USA", "US" and "United States" are to the United States of America.

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

Financial Data

Unless indicated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements included in this Draft Red Herring Prospectus comprise the restated consolidated balance sheet, the restated consolidated profit and loss, the restated consolidated cash flow statement and the restated consolidated statement of changes in equity as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 together with the annexures and the notes thereto, which are derived from audited financial statements as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind AS and as per Ind AS Rules notified under Section 133 of the Companies Act 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India and included in "*Financial Statements*" on page 207.

Our Company acquired VitalCare, AbGel and CareNow. Our historical operational and financial information prior to the acquisition of VitalCare, AbGel and/or CareNow is not comparable to that subsequent to such acquisitions. Accordingly, we have included in this Draft Red Herring Prospectus, the Proforma Consolidated Financial Information consisting of the proforma consolidated balance sheet as at March 31, 2021 and the proforma consolidated statement of profit and loss for the year ended March 31, 2021, read with the notes to the proforma consolidated financial information, prepared to illustrate the impact of the acquisition of VitalCare, AbGel and CareNow on the group's financial position as at March 31, 2021 as if the acquisition had been consummated on March 31, 2021 and its financial performance for the year ended March 31, 2021 as if the acquisition had taken place on April 1, 2020. The Proforma Consolidated Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial results and is not intended to be indicative of our future results of operations. For further details, see "*Proforma Consolidated Financial Information*" on page 320 and "*Risk Factors - The Proforma Consolidated Financial Information included in this Draft Red Herring Prospectus may not accurately reflect our future financial condition, results of operations, cash flows and business*" on page 40.

In this Draft Red Herring Prospectus, we have also included the audited consolidated financial statements of VitalCare for the year ended March 31, 2021, along with translated financial information from foreign currency to INR, the audited special purpose carve out financial statements of AbGel for the year ended March 31, 2021 and the audited special purpose financial statements of CareNow for the year ended March 31, 2021, which have been used in the preparation of the Proforma Consolidated Financial Information. For further information on such financial statements of VitalCare, AbGel and CareNow, see "*Proforma Consolidated Financial Information*" on page 207.

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

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA margin, net debt/(net cash), return on net worth, working capital, return on capital employed, net worth, net asset value per share and debt equity ratio, included in this Draft Red Herring Prospectus, are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other information relating to financial performance are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Further, these non GAAP measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

There are significant differences between Ind AS and U.S. GAAP. Our Company does not provide reconciliation of its financial information to U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting principles, policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting principles, policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 141 and 291 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the amounts derived from Restated Financial Information.

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

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

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of India;
- "USD" or "US$" or "$" are to the United States Dollar, the official currency of the United States;
- "S$" is to the Singapore Dollar, the official currency of Singapore; and
- "GBP" or £ are to the pound sterling, is the official currency of the United Kingdom.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000.

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.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	As at		
	March 31, 2021(1)	March 31, 2020(1)	March 31, 2019(1)
1 USD	73.50	75.39	69.17
1 GBP	100.95	93.08	90.48

Source: www.rbi.org.in and www.fbil.org.in

(1) *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 24. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based solely on such information

The sections "*Offer Document Summary*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" of this Draft Red Herring Prospectus contain data and statistics from the report titled "Independent Market Report on Surgical Devices and Medical Consumables Market in Select Geographies" prepared by Frost & Sullivan (India) Private Limited, dated September 3, 2021, and commissioned and paid by our Company specifically for the purposes of the Offer, which is subject to the following disclaimer:

*"**Independent Market Research on Select Surgical Consumables Market**" (Name of the report)" has been prepared for the proposed initial public offering of equity shares by **Healthium Medtech Limited** (the "Company").*

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and industry experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

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.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

For risks in this regard, see "*Risk Factors - We have commissioned an industry report from Frost & Sullivan which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us and BRLMs. Accordingly, prospective investors are advised not to place undue reliance on such information"* on page 46.

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

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 24.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 96 includes information relating to our listed industry peer. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "shall", "could", "expect", "estimate", "goal", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "propose", "seek to" "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

All forward-looking statements whether made by us in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to corresponding risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industries we serve and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions 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, changes in domestic laws, regulations and taxes and changes in competition. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires significant time and cost, and any adverse regulatory action may adversely affect our financial condition and business operations.

2. We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all and our business, financial condition, results of operations, and cash flows may be adversely affected.

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

4. Quality problems and product liability claims could lead to recalls or safety alerts, reputational harm, adverse verdicts or costly settlements, and could have an adverse effect on our business, results of operations, financial condition and cash flows.

5. We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results.

6. We are dependent on the success of our research and development and the failure to develop new or improved products or process improvements or production techniques could subject us to write-offs or otherwise adversely affect our business, financial condition, cash flows and results of operations and have a negative impact on our competitive position.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 141 and 291, 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of our future performance. There can be no assurance to 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 to be a guarantee of our future performance.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. 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. Neither our Company, the Selling Shareholders, our Promoter, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company and the Selling Shareholders (in respect of statements/ disclosures made by them in this Draft Red Herring Prospectus) shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Investors should carefully consider each of the following risk factors and all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are those that we consider to be most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations, cash flows and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Industry Overview", "Our Business", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 114, 141, 207 and 291 respectively, as well as the Restated Financial Information and other financial information included in this Draft Red Herring Prospectus.

If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations, cash flows and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. Any potential investor in the Equity Shares should pay attention to the fact that we are subject to a regulatory environment in India, which may differ significantly from that in other jurisdictions. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. To the extent, the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, prospective investors must read the risk factors described below carefully and rely on their own examination of us, on a consolidated basis, and the terms of the Offer, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Offer.

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. For further information, see "Forward-Looking Statements" on page 23..

Our Fiscal year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" beginning on page 207.

*We acquired AbGel, VitalCare and CareNow on July 31, 2021, July 1, 2021 and August 31, 2021, respectively (collectively, the "**Acquisitions**") and we have included proforma consolidated balance sheet as if the Acquisitions occurred as at March 31, 2021 to illustrate the impact of the Acquisitions as at March 31, 2021. We have also included proforma consolidated statement of profit and loss for the year ended March 31, 2021 to illustrate the impact of the Acquisitions as if the Acquisitions occurred on April 1, 2020 . For further information, see "Summary Financial Information", "Financial Information – Restated Financial Information", "Proforma Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 58, 207, 320 and 291 respectively.*

In this section, unless otherwise indicated or the context requires otherwise, a reference to "we", "us" or "our" and similar terms are to Healthium Medtech Limited, on a consolidated basis. In this section, unless the context otherwise requires, references to "Clinisupplies" includes Clinisupplies and Clinidirect and references to "VitalCare" includes VitalCare, on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Independent Market Report on Surgical Devices & Medical Consumables Market in Select Geographies" dated September 2021 (the "**Frost & Sullivan Report**") prepared and released by Frost & Sullivan and commissioned and paid by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Frost & Sullivan Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details in relation to the disclaimer included in the Frost & Sullivan Report, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 20. Neither we, nor any of the BRLMs, nor any person connected with the Offer, has verified any information in the Frost & Sullivan Report.*

INTERNAL RISKS - RISKS RELATED TO OUR BUSINESS

1. ***We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires significant time and cost, and any adverse regulatory action may adversely affect our financial condition, cash flows and business operations.***

Our products, as well as our business activities, are subject to a complex set of regulations by various governmental authorities throughout the world. Our key markets are India, the U.K, and various countries in the rest of the world, including E.U. and the U.S. In some markets, including the U.S. and E.U., regulatory controls have become increasingly demanding. We expect this trend to continue globally. For instance, we must comply with the requirements of the U.S. FDA, EU MDD, EU MDR, CDSCO and various state drugs control authorities in India and other relevant healthcare regulators with respect to the research, development, clinical testing, manufacture, safety, effectiveness, storage, approval, recordkeeping, labeling, sale, distribution, marketing, advertising, promotion, pricing, import and export of our products. Failure to comply with these requirements may lead to delays in the submission or approval of potential new products for commercialization and marketing, financial penalties, compliance expenditures, the recall or seizure of products, total or partial suspension of production and / or distribution, closure of affected facilities, suspension of applicable regulator's review of our submission, enforcement action, injunction and criminal prosecution as well as civil liabilities. Any adverse regulatory action may restrict us from effectively marketing and selling our products, may limit our ability to obtain future pre-market clearances or approvals and could result in us having to undertake substantial modifications to our business practices and operations. For instance, the National Pharmaceutical Pricing Authority ("**NPPA**") in India issued a show cause notice to our Company dated April 5, 2018 to our Company alleging that our Company had increased the maximum retail price of certain catheters sold by it to an amount higher than the permissible limits under the DPCO 2013. Pursuant to a subsequent notice dated February 5, 2019 and orders dated September 30, 2019 and February 26, 2020, the NPPA has directed our Company to pay an aggregate amount of ₹ 177.61 million (including amounts already paid under protest). Our Company has challenged the same before the Delhi High Court, and the matter is currently pending before the Delhi High Court. For further details, see *"Outstanding Litigation and Material Developments – Litigation Involving our Company – Litigation against our Company – Actions taken by regulatory and statutory authorities*" on page 453.

We have registered our Bengaluru Unit I, Nanjing Facility and Coimbatore Facility with the U.S. FDA. The U.S. FDA and other agencies periodically inspect our manufacturing facilities. Following an inspection, the U.S. FDA may issue a Form-483, listing conditions that are observed to violate regulations, a warning letter for violations of "regulatory significance" that may result in enforcement action if not promptly and adequately corrected and / or observations which we are required to respond to. For instance, the U.S. FDA inspected our Bengaluru Unit I, where we manufacture sutures, meshes, surgical staplers and hemostats from April 25 to April 29, 2016 and issued a Form 483 observing that (i) the products that do not conform to specifications were not adequately controlled; (ii) required records were not made readily available for review and copying by the U.S. FDA; (iii) documents that were not approved were observed at a location where they were used; and (iv) process validation activities had not been adequately documented. Subsequently, U.S. FDA inspected our Bengaluru Unit I from October 28 to October 31, 2019 and verified that the Company had undertaken the corrective actions. U.S. FDA issued a separate Form-483 in October 2019 for inadequate MDR procedures. We have responded to the U.S. FDA and we cannot assure you if the U.S. FDA will confirm the actions taken by us, during the next inspection. Further, the U.S. FDA or other regulatory authorities may issue other warning letters, untitled letters, inspectional observations or other adverse notices and such regulatory authorities may impose restrictions on or withhold necessary authorizations for their operations. If we are required to cease or limit production at such facilities, we could experience disruptions or delay in production, which could adversely affect our business, financial condition, cash flows or results of operation.

In addition, exported products are subject to the regulatory requirements of each country to which the product is exported, including the FDA in the U.S., and comparable agencies in other countries. In the U.S., medical devices must receive FDA clearance or approval or an exemption from such clearance or approval before they can be commercially marketed there.

In the E.U., the EU MDR which came into force in May 2021, includes significant additional pre-market and post-market requirements. New products being introduced in the European Economic Area are required to meet the strict standards set by the EU MDR as of the deadline or they will be unable to enter the market. The companies have a three-year transition period until May 2024 to recertify their products. As a part of the regulatory process to obtain market clearance, companies are required to conduct clinical trials. Unfavorable or inconsistent clinical data from existing or future clinical trials or the market's or a regulator's perception of this clinical data, may adversely impact our ability to obtain product approvals and our position in, and share of, the market. Under this new regime, penalties for regulatory non-compliance are severe, including fines and revocation or suspension of a company's business license, mandatory price reductions and criminal sanctions. We cannot guarantee that we will be able to obtain or maintain marketing clearance for our new products or enhancements or modifications to existing products or maintain marketing clearance on existing products. Even if we are able to obtain approval or clearance, it may:

- take a significant amount of time,
- require the expenditure of substantial resources,
- involve stringent clinical and pre-clinical testing, as well as increased post-market surveillance,
- involve modifications, repairs or replacements of our products, and
- limit the proposed uses of our products.

Further, if the U.S. FDA or other regulatory agencies were to conclude that we are not in compliance with applicable laws or regulations, or that any of our products are ineffective or pose an unreasonable health risk, such regulatory agencies could ban our products, detain or seize adulterated or misbranded products, order a recall, repair, replacement, or refund of such products, refuse to grant pending pre-market approval applications or require certificates for exports, and/or require us to notify health professionals and others that our products present unreasonable risks of substantial harm to the public health. The government agencies may also assess civil or criminal penalties against us, our officers or employees and impose operating restrictions on a company-wide basis.

In addition, most countries including India and the U.S. require that product approvals be renewed or recertified on a periodic basis. The renewal or recertification process requires us to evaluate any new regulations or relevant standards and conduct appropriate testing to document continued compliance. There can be no assurance that we will receive the required approvals for new products or modifications to existing products on a timely basis or that any approval will not be subsequently withdrawn or conditioned upon extensive requirements.

2. ***We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, our business, financial condition, results of operations, and cash flows may be adversely affected.***

We are subject to rigorous and extensive licensing and permit requirements. To lawfully operate our business, we are required to obtain and hold licenses, permits, product registrations and other regulatory approvals from, and to comply with operating and security standards of numerous governmental bodies. Certain of these approvals are granted for a limited duration, and are required to be renewed or extended from time to time upon expiry. Failure to maintain or renew necessary licenses, permits, product registrations, licenses or approvals, or to comply with required standards, could have an adverse effect on our business, financial condition, results of operations and cash flows, and in some cases may lead to closures of our facilities.

The environmental approvals required by us are subject to numerous conditions including, among others, limitation on discharge of effluents and hazardous wastes, quantum of raw materials to be used, and consumption of water. The approvals we have obtained for the medical devices we manufacture also contain certain additional conditions, mandating, among other things, that we carry out tests for each batch of the products we manufacture prior to release, that we maintain audit or inspection books in the prescribed format, that we maintain records of manufacturing and sales, and that our products are accompanied with a package insert or user manual. In the event we are held to be non-compliant with any of these conditions, we may be liable to pay compensation, or be subject to having our licenses suspended or revoked. For instance, the Karnataka State Pollution Control Board ("**KSPCB**") issued a demand notice dated January 30, 2020 to our Company, demanding an environmental compensation of ₹ 10.00 million for alleged violation of the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Rules framed under Environmental (Protection) Act, 1986. Our Company challenged such notice by the way of a writ petition before the High Court of Karnataka, and such demands were set aside by the High Court of Karnataka by way of an order dated March 16, 2020. The KPCB issued another notice on September 1, 2020 giving us an opportunity of a hearing. Our Company sent a detailed reply demonstrating the processes in place to check any violation of the law, and no further action from KPCB has been taken against us in this regard. The conditions and the obligation to renew approvals or licenses at regular intervals are also prescribed in such approvals and licenses. For details of approvals in relation to our Company and Material Subsidiaries, see *"Government and other Approvals"* on page 459. We cannot assure you that these would not be suspended or revoked in the event of accidental non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in, or suspension of, our operations, any of which could adversely affect our business, financial condition, results of operations, and cash flows.

3. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations, cash flows and financial condition***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. For instance, in India, we are required to comply with various legislation including the Medical Devices Rules, 2017, the Drugs and Cosmetics Act, 1940, the Factories Act, 1948, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and obtain specific approvals, consents and authorizations from the relevant authorities under such statutes. For further details, see "*Key Regulations and Policies*" on page 167. There can be no assurance that the various governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

For instance, the EU MDR came into force in May 2021. For further details in relation to the risks relating to the EU MDR, see *" – We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires significant time and cost, and any adverse regulatory action may adversely affect our financial condition, cash flows and business operations*" on page 24.

The Government of India recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. The Government of India still has to notify the rules for implementation under these codes and accordingly, we are yet to determine the impact of all or some such laws on our business and operations. Implementing the rules under the codes may restrict our ability to grow our business in the future and increase our costs. Further, the Ministry of Environment, Forest and Climate Change, India has issued a draft of the Environment Impact Assessment Notification, 2020, which is yet to be brought into effect.

Additionally, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Bill, 2021, has introduced various amendments. The Finance Bill, 2021 received the assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021. As such, there is no certainty on the impact that the Finance Act, 2021, may have on our business and operations or on the industry in which we operate.

Uncertainty in the applicability, interpretation or implementation of existing laws or regulations or any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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. In addition, we may have to incur capital expenditure to comply with the requirements of any new regulations.

4. ***Quality problems and product liability claims could lead to recalls or safety alerts, reputational harm, adverse verdicts or costly settlements, and could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Quality is extremely important to us and our customers due to the impact on patients, and the serious and potentially costly consequences of product failure. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, marketing and use of our products. In addition, all of our products are used in surgical and post-surgical care, with many of our products often used in intensive care settings with seriously ill patients. Some of the products we manufacture and sell are designed to be implanted in the human body for long periods of time or indefinitely.

Component failures, manufacturing nonconformance, unknown safety, efficacy concerns, unknown side effects, design defects, off-label use, or inadequate disclosure of product-related risks or product-related information with respect to our products, if they were to occur, could result in directly or indirectly, personal injuries or other adverse effects. If any of the aforementioned events were to occur, we may be required to recall and terminate sales of our products. Furthermore, concerns of potential side effects could arise among consumers or medical professionals, and such concerns, whether justified or not, could expose us to negative publicity and have an adverse effect on sales of our products and our reputation. Further, if any of our products cause serious or unexpected side effects after receiving market approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the product or impose restrictions on its distribution;
- regulatory authorities may require the addition of labeling statements, such as warnings or contraindications;
- we may be required to change the way the product is used;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Moreover, due to the name recognition of our brand, an adverse event involving one of our products could result in reduced market acceptance and demand for our other products, and could harm our reputation and ability to market products in the future.

The performance, quality and safety of our products also depends on the effectiveness of our quality control systems, which in turn depends on a number of factors, including the design of our systems, our quality training program and our ability to ensure that our employees adhere to our quality control policies and guidelines. If our manufacturing processes or products fail to meet these standards or fail to adapt to evolving standards, our reputation, competitive advantage and market share may be harmed. In certain situations, we may undertake a voluntary recall of products or temporarily shut down production lines based on performance relative to our own internal safety and quality monitoring and testing data.

In addition, we have provided product specification related warranties to our customers under certain contracts entered into with our relevant customers and have agreed to indemnify our customers in case of breach of such product specification warranties. If an indemnity claim is made, it may have an adverse impact on our business, financial condition, cash flows and results of operation.

We are exposed to product liability claims in the ordinary course of business. A product liability claim could require us to pay substantial damages. Product liability claims against us, whether or not successful, are costly and time-consuming to defend. Regardless of the merits or eventual outcome, liability claims could result in:

- decreased demand for our products;
- injury to our reputation or adverse publicity against us;
- initiation of investigation by regulators;
- costs to defend the related litigation;
- a diversion of management's time and resources;

- compensatory damages and fines;
- loss of revenue; and
- exhaustion of any available insurance and our capital resources.

We export our products to highly regulated markets, including the United States, which are noted for their litigious nature and high awards of damages. Our public and product liability insurance covering the products manufactured by us is generally subject to certain limitations. There is a maximum liability threshold indemnifying us for bodily injury and property damage arising out of our premises, operations or products, subject to certain customary exclusions. Our public and product liability insurance may not be adequate, and at any time, insurance coverage may not be available to mirror all our contractual obligations on commercially reasonable terms or at all. If any product liability claim was sustained against us for products not covered by existing product liability insurance or where the damages awarded exceeds the limits set on the existing insurance cover, it could harm our business, results of operations, cash flows and financial condition. Even for the products where we carry product liability insurance, our claims may not be fully accepted by the insurance companies. This risk is likely to increase as we increase the number of products that we sell internationally.

5. ***We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results.***

Our business has grown substantially in recent years. Our total revenue from operations has grown from ₹ 5,840.20 million in Fiscal 2019 to ₹ 7,133.57 million in Fiscal 2021. Further, we have increased our market share in our key focus areas. Our future success will depend to a significant degree on our ability to develop and commercialize new products, improve our manufacturing processes and expand our sales network and market access, in a timely and cost effective manner. We will also need to continue to expand, train, manage and motivate our growing workforce. Undertaking these activities is time-consuming and costly. We cannot assure you that our historical growth rate will be sustainable or achieved at all in the future, that our new business initiatives will be successful, or that we will be able to implement all these managerial, operating, financial and human resource systems, procedures and control measures successfully in a timely manner or at all. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful, and our business and prospects may be adversely affected. We may also experience a decline in our profit after tax and revenue growth rate as a result of a number of factors, including slowing demand for our products, increasing competition, a decrease in the growth of our overall market share, our failure to continue to capitalize on growth opportunities, a decrease in our pricing, and increasing regulatory costs, among others, all of which would have an adverse impact on our cash flows, financial condition and results of operations.

6. ***We are dependent on the success of our research and development activities and the failure to develop new or improved products or process improvements or production techniques could subject us to write-offs or otherwise adversely affect our business, financial condition, cash flows and results of operations and have a negative impact on our competitive position.***

Our success depends on our ability to improve our existing products, develop commercially viable and sustainable new products and to develop process improvements that can improve time, quality and cost efficiency. The medical technology industry is characterized by frequent advancements in technology, coupled with high research and development expenses. In addition, rapid and frequent advancements in technology and changes in market demand can often render existing technologies and equipment obsolete and could require substantial new capital expenditures or subject us to write-offs.

During the Fiscals 2019, 2020 and 2021, we incurred ₹ 96.65 million, ₹ 199.47 million and ₹ 146.51 million, respectively, on research and development, representing 1.65%, 3.12% and 2.05%, respectively, of our total revenue from operations in those periods. We cannot assure you that the investments we have made in research and development will yield satisfactory results or will yield any results at all. Despite our investments in this area, our research and development efforts may not result in the discovery or successful development of new products.

7. ***Our future growth is dependent upon the development of new products and enhancement of existing products, which requires significant research and development, clinical trials and regulatory approvals, all of which may be very expensive and time-consuming and may not result in commercially viable products.***

In order to develop new products and enhance existing products, we focus our product development initiatives on meeting the requirements of our customers by identifying their needs and addressing the gaps in market. In addition, we actively engage with healthcare professionals in our key geographies to educate and train them on the use of our products and obtain feedback on the performance of our products. For instance, we have 15 products under development across our focus areas. The development and commercialization of new products is complex, time-consuming and costly. Due to the long lead times associated with obtaining regulatory approvals for many of these products, as well as the competitive advantage that can come from gaining early approval, it is important that we maintain a sufficient large portfolio of products and a product pipeline and manage their development and approval processes so as to being products to market on a timely basis. The marketing cycle for our products from conceptualization to sales varies widely based on certification processes, quality testing, evaluation processes and contractual negotiations.

The results of our product development efforts may be affected by a number of factors, including our ability to properly anticipate and respond to customer needs, innovate and develop new products, complete clinical trials, obtain regulatory approvals, identify available suppliers, manufacture products in a cost-effective manner, obtain appropriate intellectual property protection for our products and gain and maintain market approval of our products. There can be no assurance that any products now in development or that we may seek to develop in the future will obtain regulatory approval or gain market acceptance.

Further, if we fail to maintain strong working relationships with healthcare professionals in our key geographies, the development, launch, marketing and commercialization of our products could be adversely impacted, which could cause a decline in our earnings and profitability.

If we are unable to develop, launch, market and commercialize new products and enhanced products, or if such products are brought to market after competing products are commercialized, our ability to maintain or expand our market position in our geographies may be adversely impacted. A delay in the development or approval of new products or our decision to reduce our investments may adversely impact the contribution of these products to our future growth. We also incur significant marketing costs to build brand awareness and distribute our products in both existing markets and new geographic markets for potential new customers. If we are unable to successfully market our products in existing and new geographic locations, it could harm our business, financial condition, cash flows and results of operations.

We also cannot guarantee that any investment we make in developing products will be recouped, even if we are successful in commercializing these products. In the event of excess production, we might also have to bear the cost of disposal of excess products. We may also not be able to utilize our available capacity, which in turn could affect our ability to recover our product development investments.

8. ***If we cannot protect our intellectual property, both domestically and internationally, and develop or otherwise acquire additional intellectual property, our ability to sell current or future products may be negatively impacted.***

Our intellectual property rights are, and will continue to be, a critical component of our success. As of July 31, 2021, we have 21 patents in India and 11 patents in the U.S., and a further 22 and six patent applications pending approval in India and U.S., respectively. Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, U.S. and Europe and one patent application pending for approval in India. In addition, we have obtained over 50 trademark registrations in India, in the category of wordmarks and device marks. We have also obtained 61 trademark registrations in UK, 22 trademarks in EU and 1 trademark in Ireland. We have also registered trademarks with our partners in certain countries. For further details, see "*Our Business – Description of our Business and Operations – Intellectual Property", "Government and Other Approvals" and "Our Business - CareNow – Intellectual Property*" on pages 159, 459 and 165, respectively.

Further, in some instances we are also dependent on third parties to protect and defend our intellectual property rights. For instance, our Company entered into an intellectual property assignment agreement effective from April 1, 2020, pursuant to which the Company has exclusive license over certain patent and intellectual property rights relating to arthroscopy products jointly developed by our Company and Dr. Hemant Kumar Alladu for a fixed yearly consideration in addition to a variable consideration payable on occurrence of certain events. We cannot assure you there will be no dispute with respect to the payments to be paid as variable consideration.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trademarks, or other agreements will adequately protect our intellectual property. Further, our patent applications may fail to result in patents being issued in a timely manner or at all, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that patents and trademarks issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents or trademarks will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. Patent prosecution, related proceedings, and litigation in India, Europe and the U.S. may be expensive, time consuming and unsuccessful. Our competitors may also independently develop proprietary technologies and processes that are the same as or substantially equivalent to ours or design around our patents. Our competition may also hold or obtain intellectual property rights that would threaten our ability to develop or commercialize our product offerings.

Even if we are successful in obtaining effective patents and trademarks, it is expensive to maintain these rights and the costs of defending our rights could be substantial. Additionally, we may be required to increase our investment in protecting our intellectual property through additional patent, trademark and other intellectual property filings, which could be expensive and time-consuming. The expiration of patents on which we rely for protection of key products could diminish our competitive advantage and adversely affect our business and our prospects.

We cannot assure you that our products and technologies will not infringe on the rights of others. If a third party successfully asserts a claim for infringement against us, we may be liable for substantial damages, be unable to sell products using that technology, or have to seek a license or redesign the related product. These alternatives may be uneconomical or unviable. Intellectual property litigation could be costly, result in product development delays and divert the efforts and attention of management from our business.

Further, due to the different regulatory bodies and varying requirements globally, we may be unable to obtain intellectual property protection in certain jurisdictions for our products or processes. The filing, prosecuting, maintaining, defending, and enforcing intellectual property rights on our products in various jurisdictions may be expensive. In addition, the laws of some countries may not protect proprietary rights as anticipated and may require additional procedures for adequate enforcement. This may make it difficult for us to stop the misappropriation or other violation of our intellectual property rights in such countries. Any inability to patent new products and processes and protect our proprietary information or other intellectual property, could adversely affect our business.

9. ***Any unscheduled or prolonged disruption of our manufacturing operations could adversely affect our business, financial condition, results of operations, and cash flow.***

We are dependent on our manufacturing facilities for production of our products. We may encounter manufacturing problems, experience difficulties or unscheduled or prolonged disruption of our manufacturing operations, as a result of occurrence of any of the following events, or any other event beyond our ability to control:

- forced or voluntary closings of manufacturing plants, including as a result of regulatory inspections;
- problems with supply chain continuity, including as result of weather or a natural or man-made disaster, at one of our facilities or at a critical supplier or vendor;
- manufacturing shutdowns, product shortages, including backorders and discards, any delays in product manufacturing;
- labor strikes and lock-outs that may result in temporary shutdowns or manufacturing disruptions;
- problems with manufacturing; quality assurance / quality control or supply, or government approval delays;
- failure of a sole source or single source supplier to provide us with necessary raw materials, supplies or finished goods for an extended period of time, which could impact continuous supply;
- shortage of qualified personnel;
- changes in applicable local and international legislations, rules and regulations;
- failures or bottlenecks in manufacturing processes, especially due to power failure, fire, unexpected mechanical failure of equipment;
- product recalls or market withdrawals;
- our equipment and manufacturing facilities becoming obsolete; and
- other manufacturing or distribution problems, including due to earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances.

Any of the above events may reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The occurrence of certain of these incidents could also result in a destruction of assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. Additionally, as our equipment ages, it will need to be replaced. Replacement of equipment has the potential to introduce variations in the manufacturing process that may result in lot failures or manufacturing shutdown, delay in release of product batches, product recalls or regulatory action. Our customers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our customer relationships, business, financial condition, results of operations, and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

As regulatory approvals are site specific, in the event of disruption of our manufacturing operations, we may be unable to transfer manufacturing activities to another location immediately. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to make alternate arrangements for supplies and products in order to meet our production requirements, which could affect our profitability. Catastrophic events may also destroy any inventory located in our facilities.

In addition, surgical needles and ligating clips are largely manufactured at our Noida Facility and sutures are manufactured at our Bengaluru and Sri City Facilities, without overlapping regulatory approvals. If an event occurs that results in damage to, or closure of, one or more of these facilities, we may be unable to manufacture the relevant products at any of the other facilities. This may result in us not being able to manufacture our products at the previous levels or at all, which would have an adverse impact on our business, cash flows, financial condition and results of operations.

10. ***The COVID-19 pandemic has had, and we expect will continue to have, an adverse effect on our business, results of operations, financial condition and cash flows, the nature and extent of which are highly uncertain and unpredictable.***

Our global operations and interactions with healthcare systems, providers and patients around the world expose us to risks associated with public health crises, including epidemics and pandemics such as COVID-19. In particular, the continuing global spread of COVID-19, including corresponding preventative and precautionary measures that we and other businesses, communities and governments are taking to mitigate the spread of the disease, has led to unprecedented restrictions on, disruptions in, and other related impacts on business and personal activities. Further, in addition to travel restrictions put in place in early 2020, countries, states and governments may continue to close borders, impose prolonged quarantines, lock-downs or other restrictions and requirements on travel, and further limit our ability to manufacture our products and conduct business in-person as we did prior to COVID-19. The COVID-19 pandemic has caused volatility in the global economy and significant shifts in the prices of raw materials that we purchase as well as the prices of, and demand for, the products that we sell and it is likely the COVID-19 pandemic will cause an economic slowdown of potentially extended duration, and it is possible that it could cause a global recession.

Together with the preventative and precautionary measures being taken, as well as the corresponding need to adapt to new and different methods of communication and conducting business, COVID-19 is having, and will likely continue to have, an adverse impact on significant aspects of our Company and business, including our manufacturing ability and sales. In addition, COVID-19 pandemic has, and will likely continue to, adversely impact the ability of our workforce to get to their places of work and maintain the continuity of our on-site operations. These impacts could impair our ability to move our products through sales channels to end customers, and any such delay or shortage in the supply of products may result in our inability to satisfy consumer demand for our products in a timely manner or at all, which could harm our reputation, future sales and profitability. For instance, our sales in UK remained flat due to COVID-19. Further, as hospital systems prioritize treatment of COVID-19 patients and otherwise comply with government guidelines, certain medical procedures have been suspended or postponed in many of the markets where our products are marketed and sold. It is not possible to predict the timing of a broad resumption of deferrable medical procedures and, to the extent individuals and hospital systems continue to de-prioritize, delay or cancel these procedures, our business, cash flows, financial condition and results of operations may be adversely affected.

We have considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments in determining the possible impact from the COVID-19 pandemic using the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, we expect to fully recover the carrying amount of our assets. The impact of the global health pandemic may be different from that estimated and we will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

Our Statutory Auditor has included an emphasis of matter in its audit reports on consolidated financial statements and standalone financial statements as at and for the year ended March 31, 2020, describing the fact that COVID-19 pandemic could cause various economic and social disruption to us and impact our trade receivables and carrying value of all other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The Statutory Auditor stated that the impact may be different from that estimated as at the approval date of our consolidated and standalone Ind AS financial statements, respectively and that they would continue to closely monitor any material changes to future economic conditions.

The extent to which COVID-19 impacts our results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken globally to contain the COVID-19 or treat its impact, among others.

11. ***Information relating to historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and our future production and capacity may vary.***

Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns as well as expected operational efficiencies. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. For instance, we acquired the Coimbatore and Nanjing Facilities and leased the Mumbai Facility, pursuant to acquisitions in Fiscal 2022, and our actual product volumes and capacity utilization rates may be different from the estimated production capacity. Investors should therefore not place undue reliance on our historical installed capacity and estimated utilization information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

12. ***Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospectus and future financial performance.***

Our capacity utilization is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of, and the procurement practice followed by, our customers. In the event that we are unable to achieve full capacity utilization of our current manufacturing facilities, this would result in operational inefficiencies which may have an adverse effect on our business, financial condition, cash flows, future prospects and future financial performance. For further details in relation to our capacity utilization, see *"Our Business – Description of our Business and Operations – Capacity and Capacity Utilization*" on page 155.

Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could adversely impact our business, growth prospects and future financial performance. In addition, we have made significant investments to acquire three manufacturing facilities in Fiscal 2022. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently.

13. ***We operate in a highly competitive industry with rapid technological changes and we may be unable to compete effectively; and consolidation in the healthcare industry could have an adverse effect on our revenues and results of operations.***

The medtech industry is a highly competitive industry. Our competition varies across various markets, geographical areas and types of products. Our industry is characterized by rapid change resulting from technological advances and scientific discoveries. Although no single company competes with us in all our focus areas, we face substantial competition in each of our focus areas from large multinational corporations and various local players, in each of our geographical segments. Development by other companies of new or improved products, processes or technologies that are more effective and / or more cost effective than any product that we may develop or license, or the introduction of reprocessed products or generic versions when our proprietary products lose their patent protection may make our existing or planned products obsolete or less competitive, which would harm our business, cash flows and financial condition.

We believe our ability to compete depends upon many factors both within and beyond our control, including:

- product features, performance and reliability;
- product technology and innovation;
- product quality and safety;
- cost-effectiveness and price;
- breadth of product lines;
- product support services;
- customer support;
- experience of senior management;
- sales network, market access and marketing;
- efficiency and cost-effectiveness of our supply chain; and
- changes to the regulatory environment.

Increased competition may also lead to product price erosion in the future as new companies enter the market or modify their existing products to compete directly with us or advanced technologies emerge. In addition, academic institutions, governmental agencies and other public and private research organizations also may conduct research, seek patent protection and establish collaborative arrangements for discovery, research, clinical development and marketing of products similar to ours. These companies and institutions compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring necessary product technologies. Any such competition would have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, in response to perceived increases in healthcare costs in recent years, there have been and continue to be proposals by several governments, regulators and third-party payers globally, to control these costs and, more generally, to reform healthcare systems. Certain of these proposals may limit the prices we are able to charge for our products or the amounts of reimbursement available for our products and could limit the acceptance and availability of our products. Many healthcare industry companies, including healthcare systems, distributors, manufacturers, providers, and insurers, are consolidating or have formed strategic alliances. As the healthcare industry consolidates, competition to provide goods and services to industry participants will become more intense. In addition, this consolidation creates larger enterprises with greater negotiating power, which they can use to negotiate price concessions. If we must reduce our prices because of industry consolidation, or if we lose customers as a result of consolidation, our business, financial condition, results of operations and cash flows may be adversely affected.

14. ***Our ability to market our products successfully depends, in part, upon the acceptance of the products not only by customers, but also by independent third parties.***

Our ability to market our products successfully depends, in part, on the acceptance of products by independent third parties, including distributors, government representatives and other retailers, as well as patients. We rely to a significant extent on the strength of our brands and our reputation and acceptance by third parties. Unanticipated side effects or unfavorable publicity concerning any of our products or brands could have an adverse effect on our ability to achieve acceptance by customers and patients. If our products are approved by the regulatory authorities but do not achieve an adequate level of acceptance by independent third parties, we may be unable to generate any or sufficient revenue from these products to make them profitable. If our products fail to maintain significant market acceptance, it could have an adverse effect on our business, financial condition, cash flows and results of operations.

15. Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may adversely affect our business, results of operations, cash flows and financial condition.

We may experience pricing pressures from our customers, and pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have an adverse effect on our business, results of operations, cash flows and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, medtech companies like us must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives for raw materials and other cost reduction initiatives, our business, results of operations, cash flows and financial condition may be adversely affected. Our customers also negotiate for larger discounts in price as the volume of their orders increase. To maintain our profit margins, we seek price reductions from our suppliers, improved production processes to increase manufacturing efficiency and streamlined product designs to reduce costs. There can be no assurance that we will be able to avoid future customer price reductions or offset the impact of any such price reductions through continued technology improvements, improved operational efficiencies, cost-effective sourcing alternatives, new or improved manufacturing processes, cost reductions or other productivity initiatives, which may adversely affect our business, cash flows, financial condition and results of operations.

16. Failure to integrate acquired businesses into our operations successfully, as well as liabilities or claims relating to such acquired businesses, could adversely affect our business.

We have completed three acquisitions in the Fiscal 2022, namely Abgel, VitalCare and CareNow. For further details, see "*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus*" on page 174. Our integration of acquired businesses requires significant efforts, including the coordination of information technologies, research and development, sales and marketing, operations, regulatory, supply chain, manufacturing, quality systems and finance. These efforts result in additional expenses and involve significant management time. Some of the factors that could affect the success of our acquisitions include, among others, the effectiveness of our due diligence process, our ability to execute our business plan for the acquired companies, the strength of the acquired technology, results of clinical trials, regulatory approvals and reimbursement levels of the acquired products and related procedures, the continued performance of critical transition services, our ability to adequately fund acquired in-process research and development projects, our ability to create and enforce uniform standards, controls, procedures and policies, our ability to manage attrition and retain key employees, our ability to streamline business backgrounds, corporate cultures and management philosophies, our ability to successfully commercialize the products and our ability to achieve synergies with our acquired companies, such as increasing sales of our products, achieving cost savings and effectively combining technologies to develop new products. We may also over-value the companies we acquire or underestimate the costs associated with such acquisitions.

In addition, one of the acquisitions that we have undertaken in Fiscal 2022 involves entities located outside of India. Foreign acquisitions involve unique risks, including those related to integration of operations across different geographies, cultures and languages, foreign exchange controls, currency risks and risks associated with the economic, political, legal and regulatory environment in specific countries. Our failure to manage successfully and coordinate the growth of the acquired companies could have an adverse impact on our business and our future growth. In addition, we cannot be certain that the businesses we acquire will become profitable or remain so, and if our acquisitions are not successful, we may record related asset impairment charges in the future or experience other negative consequences on our results.

Further, pursuant to a share purchase agreement dated August 26, 2021, executed among our Company, CareNow and sellers (*as defined in the agreement*), we are liable to pay a deferred consideration of ₹ 50.00 million to the sellers (*as defined in the agreement*) upon CareNow received US FDA approval for its 'theruptor' product, which is a sterile barrier wound dressing and our Company is required to pay interest on such deferred compensation from closing date until January 31, 2022. Further, our Company, CareNow, and its preference shareholders entered into a put and call option agreement dated August 26, 2021 pursuant to which our Company may acquire 30 compulsorily convertible preference shares of CareNow, from the preference shareholders after a specified date at a price to be determined on achievement of certain milestones and such purchase price shall not exceed ₹ 1,740.00 million. In addition, pursuant to a business transfer agreement dated May 26, 2021 entered into among Sri Gopal Krishna Labs Private Limited and others for the acquisition of 'AbGel', we are liable to pay up to ₹ 50 million to the sellers as deferred consideration within a specified time, subject to certain adjustments. We are also liable to pay up to GBP 1.25 million as earn-out consideration to the sellers pursuant to the agreement dated July 1, 2021 entered into by our Subsidiary, Clinisupplies for acquisition of VitalCare. For further details, see *"History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus*" on page 174. Such payments may adversely affect our business, cash flows, financial condition and results of operations. We also cannot assure you that there will be no dispute with the relevant parties with respect to the amount to be paid to them.

As a result of our new acquisitions, our financial statements do not necessarily reflect what our financial condition, results of operations and cash flows would have been had we been operated as a consolidated group (including with the acquired companies) during the periods presented. In addition, our financial statements may not be indicative of what our results of operations, financial condition and cash flows will be in the future as a result of these acquisitions. For example, changes may occur in our cost structure, financial liabilities, funding and operations, including changes in our tax structure, increased costs and enhanced regulatory standards associated with the expanded business. These changes may be material, further reducing the meaningfulness of our historical consolidated financial statements in evaluating our future financial condition and results of operations.

17. ***We may not be successful in our strategy relating to growing our business inorganically through acquisitions and deepening and expanding our geographical presence.***

We aim to continue to leverage our global platform and add new products and specialties, acquire new technologies and expand our geographic presence through acquisitions to realize cost and revenue synergies. However, acquiring new businesses require significant efforts resulting in additional expenses and requiring significant management time, at the following stages:

- Pre- acquisition:
  - Identifying suitable opportunities for acquisition;
  - Executing an effective due diligence process on potential targets;
  - Incurring costs to remediate or address predecessor liabilities and incidences of contractual or regulatory non-compliance;
  - Obtaining financing, as required, on acceptable terms; and
  - Completing acquisitions in a timely manner on terms that are satisfactory to us.
- Post- acquisition:
  - Integrating and operating acquired businesses including coordination of information technologies, sales and marketing, integration of supply chain, employees and manufacturing processes;
  - Execution of our business plan for the acquired entities or businesses;
  - Funding of acquired in-process research and development projects;
  - Creation and enforcement of uniform standards, controls, procedures and policies, including adopting internal controls frameworks effectively to accommodate newly acquired businesses;
  - Retention and motivation of key employees;
  - Complying with applicable laws and regulations;
  - Adapting to local practices in new geographic markets;
  - Protecting intellectual property; and
  - Repaying debt availed for funding the acquisitions. For further details in relation to debt repayment, see *"Objects of the Issue"* on page 86.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Further, our future growth also depends on deepening our reach and expanding our presence across our markets and grow our business in new markets. As a result, the products we introduce in new markets may be more expensive to produce and / or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

Further, our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to address any of these issues or our inability to successfully integrate our acquisitions effectively may have an adverse effect on our business, financial condition, cash flows and results of operations.

18. ***We rely on third parties to manufacture certain products. Any failure by or loss of a third party manufacturer could result in delays and increased costs, which may adversely affect our business.***

We rely on third parties to manufacture certain products. We depend on these third party manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. However, we cannot guarantee that these third party manufacturers will be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and have an adverse effect on our business, financial condition, cash flows and results of operation. Other risks associated with our reliance on third parties to manufacture these products include, reliance on the third party for regulatory compliance and quality assurance, misappropriation of our intellectual property, limited ability to manage our inventory, possible breach of the manufacturing agreement by the third party and the possible termination or non-renewal of the manufacturing agreement by the third party at a time that is inconvenient for us. Moreover, if any of our third party manufacturers suffer any damage to facilities, lose benefits under material agreements, experience disruptions on account of power outages or otherwise, theft of materials, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, we may experience significant business disruption. In the event of any such disruption, we would need to seek and source other qualified third party manufacturers, likely resulting in further delays and increased costs, which could affect our business adversely. In addition, we require a 'loan license' under the Medical Devices Rules, 2017 in India to outsource manufacturing to a third party. Accordingly, in case of any disruption, we may not be able to switch to qualified third party manufacturers in a timely manner or at all, which could have any adverse effect on our business.

19. ***Export destination countries may impose varying duties on our products. Any increase in such duties may adversely affect our business and results of operations.***

A substantial portion of our products are exported and sold in various countries across the world. These destination countries may impose varying duties, tariffs and other levies on our products, which may adversely affect our ability to compete with the local manufacturers and other competitors, who are able to coordinate delivery and supplies from strategically located manufacturing facilities in a more cost competitive manner. There can be no assurance that the duties, tariffs or other levies imposed on our products by such destination countries will not change or increase, or that such change or increase will not adversely affect our business and results of operations.

20. ***Any reduction in or termination of tax incentives we enjoy may affect our business, results of operations, cash flows and financial condition.***

We were entitled to certain benefits under the Merchandise Exports from India Scheme ("**MEIS**"). The Merchandise Exports from India Scheme was valid until December 31, 2020. For disclosure of special tax benefits available to our Company, its shareholders and material subsidiaries, see "*Statement of Special Tax Benefits*" on page 97. MEIS was superseded by the Remission of Duties and Taxes on Exported Products Scheme, 2021 with effect from January 1, 2021. Any newly introduced or revised policies in relation to the tax, duties or other such levies issued by relevant tax authorities, may deprive us of our existing benefits which may adversely affect our results of operations and cash flows. We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy tax incentives. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business results of operations, cash flows and financial condition.

21. ***Any delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.***

We source our primary raw materials comprising suture threads, sheep hanks, raw silk, latex, silicone, stainless steel wire, PVC film, PVC resin, polyether ether ketone, medical grade titanium and viscose yarn, from suppliers in India and other countries such as U.S., Brazil, Mexico, Germany, Spain, Italy, South Korea, Japan, France, Malaysia, Indonesia, China and UK. Further, the Ministry of Steel, Government of India controls the import of certain grades of stainless steel, one of our raw materials, and accordingly, we can source such grades of stainless steel only from select suppliers. In addition, we source one of our raw materials, suture threads from two key suppliers based in South Korea. We procure our raw material through purchase orders and the terms and conditions on warranties for product quality and return policy are specified on such purchase orders. We cannot be certain that we will be able to obtain raw material meeting the specified quality standards on commercially acceptable terms, or that our suppliers will accept the returned products if the products don't meet our specified quality standards or that our suppliers will perform as expected. If our contractual arrangements with such suppliers expire or terminate, or if we fail to (i) receive the quality of raw materials that we require; (ii) negotiate appropriate financial terms; (iii) obtain adequate supply of raw materials in a timely manner, or (iv) if our principal suppliers discontinue the supply of such raw materials, or were to experience business disruptions or become insolvent, we cannot assure that we will be able to find alternate sources for the procurement of raw materials in a timely manner or at all. Moreover, in the event that either our demand increases or our suppliers experience a scarcity of supply, our suppliers may be unable to meet our demand for raw materials. Any such reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources in a timely manner for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner. Our cost of raw materials and components consumed constituted 21.66%, 17.56% and 20.75% of our revenue from operations, for Fiscals 2019, 2020 and 2021, respectively. Further, if we cannot fully offset increases in the prices of our raw materials, we will experience lower margins. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

In addition, the absence of long-term contracts at fixed prices also exposes us to volatility in the prices of raw materials. Prices of oil and gas also affect our distribution and transportation costs. Further, our dependence on foreign suppliers subject us to a variety of risks and uncertainties. The political and economic instability in the countries in which the foreign suppliers are located, the financial instability of the suppliers, labor problems experienced by suppliers, disruption in the transportation of the raw materials by the suppliers, including as a result of labor slowdowns, currency exchange rates, transport availability and cost, transport security, inflation and other operational factors relating to suppliers and the countries in which they are located are beyond our control. Although we have experienced shortage of sheep hanks in the past, we have not faced significant disruptions in the procurement of raw materials. We cannot assure you that we will be able to continue to obtain adequate supplies of raw materials, in a timely manner, in the future, which may in turn adversely affect our business, cash flows, financial condition and results of operations.

22. ***We face foreign exchange fluctuation risks that could adversely affect our results of operations.***

A significant portion of our business transactions is denominated in foreign currencies as a result of our substantial international operations. Our revenue from UK and rest of the world geographical segments, as per Ind AS 108, collectively constituted 58.25%, 61.08% and 63.52% of our revenue from operations for Fiscals 2019, 2020 and 2021, respectively. The exchange rate between the Indian Rupee and foreign currencies, primarily USD, Euro, GBP, JPY and AED has fluctuated in the past and such fluctuations have impacted our results of operations. Although, our Company and Quality Needles have adopted a foreign exchange risk management policy dated September 14, 2020 and we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

23. ***A shortage or non-availability of electricity, fuel or water or an increase in fuel prices may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our manufacturing facilities require a significant amount and continuous supply of electricity, fuel and water. We source electricity and water for our manufacturing facilities from the relevant state departments and third parties pursuant to contractual arrangements entered into with them. In addition, some of our raw materials and finished products are required to be stored at specific temperatures, supported by continuous supply of electricity. If the supply of electricity, water or fuel is not available for any reason, we will need to rely on alternative sources. Any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations, cash flows and financial condition.

24. ***Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial condition.***

Our operations depend on the timely transport of raw materials to our manufacturing facilities and of our products to our customers. We typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. For example, we may experience disruption in the transportation of raw materials by ship due to bad weather conditions. In the past, we experienced a surge in our shipment costs due to the COVID-19 pandemic. Any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have an adverse effect on our business, results of operations, cash flows and financial condition.

25. ***The equity share capital of our Promoter, held by Tummel Acquisition (FPI) Limited, the holding company of our Promoter, has been pledged and a charge has been created over specified assets of certain Subsidiaries. In the event the pledge is invoked or the security provided is enforced, it could adversely affect our business of operations.***

Our Promoter availed a loan from certain lenders and has accordingly, entered into certain security arrangements with such lenders. Under these agreements, the entire share capital of our Promoter held by Tummel Acquisition (FPI) Limited, the holding company of our Promoter, has been pledged. Further, a charge has been created over specified assets of certain Subsidiaries. In the event of non-adherence of the terms under such loan and security arrangements, the security provided may be enforced and pledge on our Promoter's shares may be invoked, which may also lead to a change in control in our Company. If any of these events were to happen, the trading price of the Equity Shares may be adversely affected, which will affect our business of operations.

26. ***Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, cash flows and results of operations.***

Our business depends on our estimate of the long-term demand for our products from our customers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast could result in surplus stock, which may not be sold in a timely manner or at all. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. In addition, each of our product has a shelf life of a specified number of years and if not sold prior to expiry, may lead to losses or if used after expiry, may adversely affect the health of patients. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, results of operations and cash flows.

27. ***We rely on distributors and clearing and forwarding agents ("C&F agents") to sell our products in various markets and failure to establish and maintain relationships with distributors and C&F agents or poor performance by distributors and C&F agents could reduce our sales and harm our business.***

We depend on distributors for the sale of our products and C&F agents for last mile delivery of our products, in various markets outside India. As our existing distribution agreements and arrangements with C&F agents expire, we may be unable to renew with our desired distributors and C&F agents on favorable terms or at all. We also compete for distributors and C&F agents internationally with other leading medical equipment and device companies that may have higher visibility, greater name recognition and financial resources, and a broader product selection. At times, we may also become engaged in contract disputes or other negotiations with distributors and C&F agents, including distributors and C&F agents for the businesses we acquired. There is also a risk that our distributors may terminate contracts with us before their contractually agreed termination dates or renegotiate commercial terms of our arrangements or may have disputes with us as to the scope of their obligations. Consequently, establishing relationships with new distributors and C&F agents, maintaining relationships with existing distributors and C&F agents and replacing distributors and C&F agents may be difficult and time consuming.

In addition, our success in the markets in which we sell our products through distributors will depend almost entirely upon the efforts of our distributors, over whom we have little or no control. If distributors do not market and sell our products effectively and maintain a continued focus on the sale, distribution and support of our products up to our standards, we could lose sales and it could impair our ability to compete and introduce our products in that market. From time to time, these distributors could decide to reduce their levels of inventory with regard to certain of our products due to various factors, which could have an adverse effect on our business depending on the extent of the distributor's sales. Outbreaks of infectious diseases such as COVID-19 or similar diseases may also create disruptions in our distribution networks, especially in markets that are forced to implement extended quarantine measures due to a lack of treatment and/or testing resources.

Any disruption of our distribution network or arrangements with C&F agents, including our failure to renew distribution agreements and arrangements with C&F agents on favorable terms or our failure to successfully negotiate contract disputes, could negatively affect our ability to effectively sell our products and could adversely affect our business, financial condition, cash flows and results of operation.

Misconduct or underperformance on the part of, attrition in relation to, or negative media coverage about, any of our distributors, agents, associates, employees, or other counterparties could result in violations of law, regulatory sanctions, litigation or serious reputational or financial harm. Such misconduct could include misrepresenting the features or limits of our products, recommending products not suitable for particular customers, misappropriation of client funds and other fraudulent behavior in violation of applicable laws and regulations. We have limited control over these third parties, but we may suffer negative consequences as a result of their actions. The measures that we take to detect and deter misconduct by our agents, associates, brokers, employees and distribution partners may not be effective in all circumstances. Past or future misconduct by our distributors, agents, associates, brokers and employees could result in investigations, violations of law, regulatory sanctions, and litigation. Any such misconduct may have an adverse effect on our business, financial condition, cash flows and results of operations.

28. ***We are subject to a number of market, business, financial, legal and regulatory risks and uncertainties with respect to our international operations that could have an adverse impact on our business, financial condition, cash flows or results of operations.***

Our revenues from UK and rest of the world geographical segments, as per Ind AS 108, constituted 33.87% and 29.65% of our revenue from operations in Fiscal 2021, respectively. Due to the international scope of our business operations, we are subject to a wide variety of risks and challenges in connection with conducting operations in numerous countries. Many of these risks and challenges are beyond our control. They include, among other things:

- political, legal, social and economic instability or volatility;
- interference or unexpected changes by government or other authorities in the business, political or regulatory environments, making it more difficult to obtain or renew contracts, permits and licenses;
- trade restrictions, sanctions and penalties as well as protectionist legislative or regulatory measures,
- restrictions concerning local manufacturing and changes in trade relationships and agreements;
- sudden or unexpected increases in wages and national and regional labor strikes;
- difficulties in enforcing and insufficient protection against violations of intellectual property rights;
- restrictions on the ability to repatriate dividends from foreign subsidiaries;
- inconsistent and/or contradictory laws and regulations, including interpretations thereof, and enforcement practices;
- foreign exchange restrictions, import/export quotas, tariffs and restrictions, sanctions and other laws and policies affecting taxation, trade, imports/exports and investment;
- changes or uncertainty in international trade policies and/or impositions of or increases in tariffs;
- fluctuations in foreign exchange rates;
- the imposition or increases of price controls or withholding and other taxes on remittances and other payments by foreign subsidiaries;

- the imposition of pricing restrictions on our products, domestically and internationally;
- the imposition of localization requirements or local ownership and shareholder rules, regulatory requirements and other protectionist measures;
- promotion of local industries by local governments in certain key geographies; and
- anti-competitive behavior, money laundering, bribery and corruption by third parties as well as crime and fraud.

Due to the nature of our operations, we need to comply with legislative and regulatory requirements and practices of many different jurisdictions, including tax rules, import/export rules, data security, antitrust and environmental, health and safety legislation. Failure to comply with these laws could expose us to administrative, civil and criminal prosecution, fines and penalties, the imposition of export or economic sanctions against us, blacklisting and reputational damage. Where local rules and regulations are complex or their applicability or interpretation is uncertain, compliance with such rules may lead to unforeseen consequences. In addition, our international sales are also subject to various jurisdictions' economic sanctions, export control and anticorruption laws and regulations, which increase the risk that we may become subject to significant penalties for violating such laws. Further, international markets are affected by economic pressure to contain healthcare costs, which can lead to more rigorous evidence requirements and lower reimbursement rates for either our products directly or procedures in which our products are used. Governments and payers may also institute changes in healthcare delivery systems that may reduce funding for services or encourage greater scrutiny of healthcare costs. In addition, certain international markets may be affected by foreign government efforts to reference reimbursement rates in other countries. All of these types of changes may ultimately reduce selling prices of our products and/or reduce the number of procedures in which our products are used, which may adversely impact our net sales, market share and operating profits from our international operations. If any of these risks were to materialize, this could have an adverse effect on our business, financial condition, cash flows and results of operations, reputation or prospects.

In addition, on January 31, 2020, the UK formally exited the EU, and a transition period began, during which time the UK and the EU negotiated a trade agreement and other terms associated with their future relationship. The transition period ended on December 31, 2020. The short- and long-term impact of the UK's exit from the EU on European and global macroeconomic conditions, our business operations and results of operations remain unknown. Changes in industry regulations could have an effect on existing CE certificates being renewed and new certificates being issued which would impact the ability to trade; however, it is impossible to assess the full impact at this stage.

Any significant changes in the political, economic, financial, competitive, legal and regulatory or reimbursement conditions where we conduct, or plan to expand, our international operations may have an adverse impact on our business, financial condition, cash flows or results of operations.

29. ***Our customers may engage in certain transactions in or with countries or persons that are subject to international economic sanctions.***

Various international jurisdictions, including the United States and the UK, restrict investments or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by such government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

Our customers may be located in and/ or may enter into transactions with end customers, either directly or indirectly through distributors and agents, located in, jurisdictions to which certain OFAC-administered and other sanctions apply, such as Iran, Cuba and Sudan. We have made sales to entities located in Cuba, Iran and Sudan representing less than 1.00% of our total income in Fiscal 2021. In each case, we believe such sales have been conducted in accordance with applicable sanctions laws and regulations.

Although we do not qualify (i) as a U.S. person under the various U.S. sanctions programs administered by OFAC or (ii) as "owned or controlled" by a U.S. person for purposes of the OFAC sanctions targeting Cuba and Iran, and to the extent applicable, we sell our products under the general license and other applicable exemptions to sanctions for medical and life saving products and we have standard operating procedures and we intend to comply fully with international sanctions to the extent applicable to us, there can be no assurance that we will be able to fully monitor the transactions for any potential violation. If we fail to comply with current or future applicable laws we could incur significant fines and other penalties and suffer negative publicity and reputational damage, which could have an adverse effect on our financial condition, cash flows, results of operations or business. Further, investors in the Equity Shares could incur reputational or other risks as a consequence. There can be no assurance that our future business will be free of risk under sanctions implemented by these jurisdictions or that we will be able to conform our business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis.

30. ***In some countries that we export to, we depend on third-party reimbursement to our customers for market acceptance of our products. If third-party payers fail to provide coverage and appropriate levels of reimbursement for the medical procedures in which our products are used, our sales and profitability could be adversely affected.***

In some of the countries we export to such as Germany, France, US and UK, sales of medical devices largely depend on the reimbursement of patients' medical expenses by government healthcare programs and / or private health insurers. In those jurisdictions, medical products and devices incorporating new technologies are closely examined by governments and / or private insurers to determine whether the products and devices will be covered by reimbursement, and if so, the level of reimbursement which may apply.

For instance, in the U.S., future action by the Centers for Medicare & Medicaid Services ("**CMS**") (which administers the Medicare program), other government agencies or private payors, may diminish payments to physicians, outpatient surgery centers and/or hospitals, which could harm our ability to market and sell our products. Private payors may adopt coverage decisions and payment amounts determined by CMS as guidelines in setting their coverage and reimbursement policies. Private payors that do not follow the Medicare guidelines may adopt different coverage and reimbursement policies for procedures performed with our products. In addition, for governmental programs, such as Medicaid, coverage and reimbursement differs from state to state. Medicaid payments to physicians and facilities are often lower than payments by other third parties, and some state Medicaid programs may not pay an adequate amount for the procedures performed with our products, if any payment is made at all.

Internationally, medical reimbursement systems vary significantly from country to country, with some countries limiting medical centers spending through fixed budgets, regardless of levels of patient treatment, and other countries requiring application for, and approval of, government or third-party reimbursement.

In addition, third-party payers, including private and government insurers, are increasingly requiring evidence that medical devices are cost-effective. If we are unable to demonstrate that our devices are cost-effective, the third-party payer may not reimburse the use of our products, which could reduce sales of our products to healthcare providers who depend upon reimbursement for payment. We also cannot be sure that third-party payers will continue the current levels of reimbursement to physicians and medical centers for use of our products. Any reduction in the amount of this reimbursement could harm our business. Increasing awareness of healthcare costs, public interest in healthcare reform and continuing pressure from Medicare, Medicaid, group purchasing organizations and other payers to reduce costs in the healthcare industry, as well as increasing competition from other protective products, could make it more difficult for us to sell our products at current prices.

31. ***The illegal distribution and sale by third parties of counterfeit versions of our products or of stolen products could harm our patients and reputation.***

Our industry has been increasingly challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the Internet. Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet the rigorous manufacturing and testing standards that our products undergo. Counterfeit products are frequently unsafe or ineffective, and can be potentially life threatening. However, to distributors and patients, counterfeit products may be visually indistinguishable from the authentic version. Reports of adverse reactions to counterfeit products or increased levels of counterfeiting could materially affect patient confidence in the authentic product, and harm the business of companies such as ours. Additionally, it is possible that adverse events caused by unsafe counterfeit products would mistakenly be attributed to the authentic product. In addition, there could be thefts of inventory at warehouses, facilities or while in transit, which are not properly stored and which are sold through unauthorized channels. Public loss of confidence in the integrity of our products as a result of counterfeiting or theft could have an adverse effect on our business, financial condition, cash flows and results of operations.

32. ***Most of our manufacturing facilities are concentrated in India and any adverse developments affecting India could adversely affect our business, results of operations, cash flows and financial condition.***

Most of our manufacturing facilities are located in India. Consequently, any significant social, political or economic disruption, natural calamities, civil disruptions in India, or changes in the policies of the state or central Government in India, may require us to suspend our operations, either temporarily or permanently, incur significant capital expenditure or change our business strategy, which may an adverse effect on our business, financial condition, cash flows and results of operations. Any such adverse development affecting our operations could result in significant loss, which could affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events, could have an adverse effect on our business, results of operations, financial condition and cash flows.

33. ***Any adverse developments in our relationship with NHS could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our contracts with NHS give us access to the NHS hospital network. We face the risk of losing NHS due to delays on our part with respect to completion of orders placed, failure to renew our contracts with NHS, failure to negotiate favorable terms with NHS or disputes with respect to our contractual arrangements. We may experience difficulty in securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any loss of revenue. We may not be able to re-allocate our resources and assets in a timely manner or at all. Additionally, in order to retain NHS we may also be required to offer terms to them that may place restraints on our resources and reduce our profitability.

In order for us to be able to sell our products to customers in the UK we need to ensure that our products are listed on the UK Drug Tariff prescribed by NHS Business Services Authority. This allows customers purchasing our products to be reimbursed by the UK government. The process for getting products listed on the UK Drug Tariff is complicated. We cannot assure you that we will be able to continue to list our products on the UK Drug Tariff.

34. ***We depend on central and state governments in India and related agencies for a portion of our business, which are awarded primarily through competitive bidding processes. There is no assurance that future contracts will be awarded to us by these customers. This may result in an adverse effect on our business growth, financial and results of operations.***

We derive a portion of our revenue from contracts awarded by central and state governments in India. These contracts are typically awarded to us through a competitive bidding process, and are subject to the satisfaction of certain eligibility conditions and performance standards. These include technology, capacity, reputation, market standing, experience and sufficiency of financial resources, and quality accreditations and certifications associated with our operations. Further, once prospective bidders satisfy the pre-qualification requirements of the tender, contracts are usually awarded based on the quote by the prospective bidder. While we have satisfied pre-qualification criteria to bid for contracts in the past, there can be no assurance that we will be able to meet such criteria to bid for these and other similar contracts in the future.

In addition, government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. Terms of contracts procured under the tender process may or may not prove to be optimally beneficial for us. In the event that new contracts which have been announced and which we intend to bid for are not put up for bidding within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations may be adversely affected.

35. ***The Proforma Consolidated Financial Information included in this Draft Red Herring Prospectus may not accurately reflect our future financial condition, results of operations, cash flows and business.***

This Draft Red Herring Prospectus contains the Proforma Consolidated Financial Information as at and for the year ended March 31, 2021 to illustrate a proforma effect to the acquisition of AbGel, VitalCare and CareNow. The Proforma Consolidated Financial Information have been prepared to illustrate the impact of acquisition of VitalCare Trading (UK) Limited together with its wholly owned subsidiaries VitalCare (Nanjing) Co. Limited and VitalCare Ltd, CareNow and surgical hemostatic gelatin sponge business under the brand 'AbGel' of Sri Gopal Krishna Labs Private Limited on our financial position as if the acquisitions had consummated on March 31, 2021 and its financial performance for the year ended March 31, 2021 as if the acquisitions had consummated on April 1, 2020. For further details, see *"Proforma Consolidated Financial Information*" on page 320. The Proforma Consolidated Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial results and is not intended to be indicative of our future financial condition, cash flows and results of operations.

The Proforma Consolidated Financial Information involves various assumptions as stated therein, after making certain adjustments, and our Statutory Auditors have issued a report in accordance with the "Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus" issued by The Institute of Chartered Accountants of India. As the Proforma Consolidated Financial Information have been prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual picture of the financial condition and results of operations that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected. The Proforma Consolidated Financial Information have not been prepared in accordance with accounting or other standards and practices generally accepted in jurisdictions other than India, such as Regulation S-X under the U.S. Securities Act of 1933, as amended, and accordingly should not be relied upon as if they had been prepared in accordance with those standards and practices of any other jurisdiction. If the various assumptions underlying the preparation of the Proforma Consolidated Financial Information do not come to pass, our actual results could have been materially different from those indicated in the Proforma Consolidated Financial Information nor are they indicative of our future results of operations. Further, in connection with the Acquisitions, we may incur certain costs, which could also cause such Proforma Consolidated Financial Information to not be reflective of our future performance.

Further, in the Proforma Consolidated Financial Information, the goodwill and other acquisition related adjustments computed in case of acquisition of the AbGel, VitalCare and CareNow are based on purchase price allocation ("**PPA**") available with us as at March 31, 2021 assessed on a provisional basis. The final PPA will be determined when we have completed detailed valuations and necessary calculations. The final allocation could differ materially from the provisional allocation used in proforma adjustments. The final allocation may include (i) changes in fair values of property, plant and equipment, (ii) changes in allocations to specified intangible assets as well as goodwill and (iii) other changes to assets and liabilities.

36. ***Our management team is critical to our continued success and the loss of such personnel could adversely affect our business.***

Our success significantly depends upon the continued service of our management team who we believe are necessary to successfully lead the development of our business. The unplanned loss of the services of any of our directors or members of senior management could adversely affect our business until a suitable successor can be found. These executives possess technical and business capabilities that may be difficult to replace. Competition for individuals with specialized knowledge and experience is intense in our industry. For further details on the management team, see "*Our Management*" on page 185. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to retain or attract such members or are unable to locate suitable or qualified replacements, our results of operations may be adversely affected.

37. ***Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, results of operations, cash flows and, financial condition.***

Employee compensation in India has historically been significantly lower than employee compensation in USA and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in USA and Western Europe, which could result in increased costs relating to scientists and engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive, ensure compliance with local wage norms and manage attrition. Compensation increases may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Further, we depend on our sales force to sell our products to surgeons and hospitals in India. If we are unable to suitably train our sales force, retain and attract people to join our sales force or are unable to locate suitable or qualified replacements, we could lose sales and it could impair our ability to compete and introduce our products in India. Our attrition rate in Fiscals 2019, 2020 and 2021 was 22.08%, 24.83% and 15.98%, respectively.

38. ***We may be affected by strikes, work stoppages or increased wage demands by our employees that could interfere with our operations.***

As of July 31, 2021, our Company employed 1,966 personnel, including contract labor. While no union represents our employees, certain employees at our Bengaluru Facility have registered themselves with the Center of Indian Trade Unions in Bengaluru, Karnataka. The success of our operations depends on availability of labor and maintaining good relationship with our workforce. We cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. For instance, a notice dated December 1, 2020, was issued to our Company by the Deputy Labour Commissioner for a conciliation meeting with reference to the application submitted by Shakuntala G.H. and 80 other workers to address various demands of the workers. Such conciliation meetings were unsuccessful, and the matter has been referred to Industrial Tribunal, Bangalore for adjudication. For further, details, see *"Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Actions taken by regulatory and statutory authorities*" on page 453. Any labor disruption may adversely affect our manufacturing operations either by increasing our cost of production or halt a portion or all of our production.

39. ***We engage contract labor for carrying out certain functions of the business operations.***

We engage independent contractors through whom we engage contract labor for performance of certain functions at our manufacturing facilities. Although we do not engage these laborers directly, we are responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. All contract laborers engaged at our manufacturing facilities are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract laborers, or offer of permanent employment or the unavailability of the required number of contract laborers, may adversely affect the business and future results of our operations. For instance, the state of Karnataka increased the minimum wages by 50% in Fiscal 2019. Further, in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract laborers as our employees, the Indian courts on a case-by-case basis have directed employers in the past to absorb contract laborers as employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition.

40. ***Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition.***

Our operations are subject to hazards inherent in medtech companies. Our principal types of coverage include product liability and public liability, commercial general liability, money insurance, clinical trial liability insurance policy and directors' and officers' liability insurance policy. As of March 31, 2021, the amount of our insured assets was ₹ 2,185.98 million, representing 27.61% of our total assets. We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition could be adversely affected. In addition, our insurance coverage expires from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost. For further details in relation to our insurance coverage, see *"Our Business – Description of Our Business and Operations - Insurance*" on page 162.

41. ***Some of the raw materials that we use as well as our finished products are hazardous, corrosive and flammable and require product expert handling and storage. Any accidents may result in loss of our property and/or disruption in the manufacturing processes which may have an adverse effect on our results of operations, cash flows and financial condition.***

Certain of the raw materials that we use as well as our finished products require product expert handling and storage. While we believe we have necessary controls and processes in place, any failure of such systems, mishandling of hazardous products, leakages, explosion or any adverse incident related to the use of these products or otherwise during the manufacturing process, transportation, handling or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life and property, damage to our and third-party property and, or, environmental damage, require shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability. If any such event were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of our property and/or disruption in our manufacturing operations entirely, which may have an adverse effect on our results of operations, cash flows and financial condition.

42. ***Our inability to collect receivables and default in payments owed from our customers could result in the reduction of our profits and affect our cash flows.***

We may experience losses because of a customer being unable or unwilling to pay amounts outstanding that are owed to us. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate or if we experience significant delays in payments owed, it may have an adverse effect on our business, financial condition, cash flows and results of operations.

43. ***If we are unable to establish and maintain an effective internal controls and compliance system over financial reporting in the future, our reputation could be adversely affected.***

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be sufficiently effective in identifying and preventing all such risks in the future. In addition, because our risk management and internal control systems are implemented by our employees and because we have limited history operating as a combined group following our recent acquisitions, we cannot assure you that such implementation will not involve human error or mistakes in the future. If we fail to timely adapt and implement our risk management policies and procedures, our business, financial condition and results of operations could be adversely affected.

44. ***Cyber-attacks, security breaches or other disruptions to our information technology systems could lead to reduced revenue, increased costs, liability claims, fines, harm to our competitive position and loss of reputation***.

We are increasingly dependent on our information technology systems and those of third parties to operate our business, and certain products of ours include integrated software and information technology. COVID-19 has exacerbated such dependencies due to the challenges in managing such a vast population working remotely. We rely on information technology systems to collect and process customer orders, manage product manufacturing and shipping and support regulatory compliance, and we routinely process, store and transmit large amounts of data, including sensitive personal information and confidential business information. The secure processing, maintenance and transmission of this information is critical to our operations but the size and complexity of our products and the information technology systems on which we rely make them vulnerable to cyber-attacks, breakdown, interruptions, destruction, loss or compromise of data, obsolescence or incompatibility among systems or other significant disruptions. Unauthorized persons may attempt to access our products or systems in order to disrupt, disable or degrade such products or services, to obtain proprietary or confidential information, or to remotely disrupt or access the systems of large health care providers by exploiting our products or systems. Security breaches may result from actions of hackers, vendors, third-party administrators or insiders as well as from cyber-attacks perpetrated by organized crime groups or state-sponsored groups, among others. We continue to enhance our information security programs. While we have not fallen victim to any material cyber-attacks, such an incident could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Further, the negative publicity resulting from such disruptions could significantly impact our reputation. Our business could also be harmed indirectly by cyber-attacks or security breaches to computer and IT systems maintained by others, including our distributors and our service providers. We cannot assure you that any future cyber-attacks or security breaches to computer and IT systems maintained by others will not in turn have an adverse effect on our business, financial condition, cash flows or results of operations.

Recently, there has been heightened regulatory and enforcement focus on data protection globally. This regulatory environment is increasingly challenging and may present material obligations and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks. If we are unable to maintain secure, reliable information technology systems and prevent data breaches, we may suffer legal and regulatory consequences in addition to business consequences. Our worldwide operations mean that we are subject to federal and state data protection and cyber-security laws and regulations in many jurisdictions. For example, if we are in breach of the GDPR's or CCPA's requirement that we ensure a level of security, both in terms of technology and other organizational measures, appropriate to the risk that the confidentiality, integrity or availability of personally identifiable data is compromised, we could be subject to fines and enforcement actions. Violations of GDPR can result in fines of as much as 4% of a company's annual revenue. Other governments have enacted or are enacting similar data protection laws, including data localization laws that require data to stay within their borders. Despite programs to comply with such laws and regulations and cyber insurance policy, there is no guarantee that we will avoid enforcement actions by governmental bodies. Enforcement actions may be costly and interrupt regular operations of our business. In addition, there is a trend of civil lawsuits and class actions relating to breaches of consumer data or other cyber-attacks pursuant to laws such as CCPA. While we have not been named in any such lawsuits, if a breach or loss of data occurs, we could become a target of civil litigation or government enforcement actions.

45. ***The failure to comply with anti-bribery, anti-corruption, anti-kickback, false claims and other similar laws, in the jurisdictions in which we operate, could adversely affect our business and result in civil and/or criminal sanctions.***

Our operations are subject to anti-corruption laws, including the UK Bribery Act, FCPA and other anti-corruption laws that apply in countries where we do business, that generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. Because of the predominance of government-administered healthcare systems in many parts of the world, many of our customer relationships are potentially subject to such laws. We are, therefore, exposed to the risk that our employees, independent contractors, consultants, vendors, independent sales agents and distributors may engage in fraudulent or other illegal activity in violation of these laws. It is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. For instance, in 2017 we received an anonymous complaint alleging certain activities within our Company relating to improper payments in our sales channels and deep discounts for tender procurement. We had appointed an external agency to undertake a forensic investigation and have since taken several actions and strengthened our systems and processes to mitigate these risks. However, we cannot assure you that such actions will be sufficient to mitigate similar risks in the future.

In addition, we also must comply with a variety of other laws that impose extensive tracking and reporting related to all transfers of value provided to certain healthcare professionals and others, for certain products. These laws and regulations are broad in scope and are subject to evolving interpretation and we have in the past been, and in the future could be, required to incur substantial costs to monitor compliance or to alter our practices. Violations of these laws may be punishable by criminal or civil sanctions, including substantial fines, imprisonment of current or former employees and exclusion from participation in governmental healthcare programs.

Global enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by governmental agencies, and assessment of significant fines and penalties against companies and individuals. We cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. Any alleged or actual violations of these regulations may subject us to government scrutiny, severe criminal or civil sanctions and other liabilities, including exclusion from government contracting or government healthcare programs, and could negatively affect our business, reputation, operating results, cash flows and financial condition.

46. ***If we are unable to raise additional capital, our business, results of operations, cash flows and financial condition could be adversely affected.***

We will continue to incur expenditure in maintaining and growing our existing business. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowings may adversely affect our ability to import raw materials and our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants and may have to grant security interests over certain of our assets. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

47. ***We have incurred significant indebtedness and our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry. Further, there have been delays in the repayment of statutory dues by some of our Subsidiaries.***

As of August 23, 2021, we had total outstanding borrowings of ₹ 2,427.69 million. Many of our financing agreements include conditions and restrictive covenants, including the requirement that we obtain consent from or intimate our respective lenders prior to carrying out certain activities and entering into certain transactions including, among others, effecting any change in our Company's capital structure, carrying out or entering into any amalgamation, consolidation, demerger, merger, restructuring, reorganization, corporate reconstruction by our Company and amending our Company's memorandum of association or articles of association. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions.

Further, a breach of any of the covenants, or a failure to pay interest or indebtedness when due, under this or any of our other financing arrangements, could result in a variety of adverse consequences, including the termination of one or more of our credit facilities, levy of penal interest, the enforcement of any security provided, acceleration of all amounts due under such facilities, right to appoint nominee on our Board and cross-defaults under certain of our other financing agreements, any of which may adversely affect our business, results of operations, cash flows and financial condition.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We cannot assure you that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes.

Further, there have been certain delays in payment of statutory dues by some of our Subsidiaries for Fiscal 2021. The instances of non-payment of statutory dues included provident fund liability of ₹ 0.22 million and ₹ 0.03 million in lieu of employee state insurance, for new employees joining CareNow who are yet to be enrolled under provident fund and employees' state insurance legislations. Further, MENA is liable to pay trade license fees amounting to AED 0.26 million, or ₹ 5.35 million,* to the Sharjah Airport International Free Zone. There is no assurance that penalties will not be imposed on us in relation to our statutory dues. Further, while we continue to pay all statutory dues which become payable in a timely manner, we cannot assure you that there will not be any defaults or delay in payments of statutory dues in future.
** For the foreign exchange conversion from AED to INR, FEDAI rate, as of July 30, 2021, has been considered.*

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

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. For details, see "*Other Financial Information – Related Party Transactions*" on page 289. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have obtained more favorable terms had such transactions been entered into with unrelated parties. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our cash flows, financial condition and results of operations.

49. ***Our Promoter may be interested in our Company to the extent of Equity Shares held by it.***

Our Promoter may be interested in our Company to the extent of the Equity Shares held by it in our Company, and any dividends or other distributions on such Equity Shares. For details of shareholding of our Promoter in our Company, see "*Capital Structure – Build up of our Promoter's Equity Shareholding in our Company*" and "*Our Promoter and Promoter Group*" on pages 71 and 202.We cannot assure you that our Promoter will exercise its right as a shareholder to the benefit and best interest of our Company.

A conflict of interest may occur between our business and the business of our Promoter which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us and our Promoter, Directors and their related entities. While we will adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise, we cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

50. ***There are outstanding litigations involving our Company, Subsidiaries, Promoter, Group Companies and our Directors. Any adverse outcome in any of these proceedings may adversely affect our results of operations, cash flows and financial condition.***

Our Company, Subsidiaries, Promoter, Group Companies and our Directors are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication at different fora. Brief details of such outstanding litigation are as follows:

Nature of cases	No. of cases	Total amount involved*
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	Nil	Nil
Criminal cases	1	Not quantifiable
Action taken by statutory and regulatory authorities	5	128.41
Taxation cases	8	69.75
By our Company		
Material civil litigation proceedings	3	87.65
Criminal cases	35	7.85
Litigation involving our Directors		
Against our Directors		
Material civil litigation proceedings	Nil	Nil
Criminal cases	4	Not quantifiable
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Directors		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Promoters		
Against our Promoters		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Promoters		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Litigation involving our Subsidiaries		
Against our Subsidiaries		
Material civil litigation proceedings	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	1	Not quantifiable
Taxation cases	2	53.89
By our Subsidiaries		
Material civil litigation proceedings	1	9.93
Criminal cases	1	0.34

** To the extent quantifiable and ascertainable.*

For further details, see "*Outstanding Litigation and Material Developments*" on page 453.

We cannot assure you that these legal proceedings will be decided in favor of our Company, Subsidiaries, Promoter, Group Companies and our Directors, as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed, including amounts claimed jointly and severally, in these proceedings have been disclosed to the extent ascertainable. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any such litigation or investigations, or other actual or alleged misconduct relating to their affairs, whether related or unrelated to us, including any negative publicity related thereto, may be detrimental to our reputation and/or have an adverse effect on the price of our securities. Further, any adverse outcome in any of these legal proceedings may have an adverse effect on our results of operations, cash flows and financial condition.

51. ***Our Promoter will be able to exercise significant influence and control over our Company after this Offer and may have interests that are different from those of our other shareholders.***

As on the date of this Draft Red Herring Prospectus, our Promoter holds 97,551,030 Equity Shares, representing 99.79% of the issued, subscribed and paid-up equity share capital of our Company. By virtue of its shareholding, our Promoter will have the ability to exercise significant influence over our Company and our affairs and business, including the election of our Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of our assets and the approval of most other actions requiring the approval of our Shareholders. The interests of our Promoter may be different from or conflict with the interests of our other Shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other shareholders.

52. ***We have commissioned an industry report from Frost & Sullivan which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us and BRLMs. Accordingly, prospective investors are advised not to place undue reliance on such information.***

We have commissioned and paid Frost & Sullivan to prepare a report on the medical technology industry and they have provided us with a report titled "Independent Market Report on Surgical Devices & Medical Consumables Market in Select Geographies" dated September 2021 (the "**Frost & Sullivan Report**"), which has been used for industry related data that has been disclosed in this Draft Red Herring Prospectus. The Frost & Sullivan Report uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. 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. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on the information in the Frost & Sullivan Report.

53. ***We do not own premises for our Corporate Office. Further, we operate our manufacturing facilities on parcels of land that are held by us on a leasehold basis as well as a freehold basis.***

We lease our Corporate Office, and do not own the premises for our Corporate Office. Further, we operate our manufacturing facilities on parcels of land that are held by us on a leasehold as well as freehold basis. For further details, see "*Our Business – Description of our Business and Operations - Properties*" on page 163. In addition, certain offices of our Subsidiaries are also leased. We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

54. ***Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements and the financial performance of our Subsidiaries.***

Our ability to pay dividends depends on our earnings, financial condition, cash flows, capital requirements, the financial performance of our Subsidiaries and applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings and all future earnings, dividends and distributions received from our Subsidiaries, if any, to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We may, in the future, be restricted by the terms of our loan agreements, from making any dividend payments, unless otherwise agreed upon by our lenders. We cannot assure you that we will be able to pay dividends in the future. For further details on our dividend policy, see "*Dividend Policy*" on page 206.

Additionally, the Finance Act, 2020 ("**Finance Act**") provides, amongst other things, a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

55. ***We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition, cash flows and results of operations.***

Our contingent liabilities as per Ind AS 37 as of March 31, 2021 were as follows:

(₹ in million)

Contingent liabilities	**As at March 31, 2021**
Bank guarantee	33.40
Claims against the group not acknowledged as debts	
a) Excise duty matters, under appeal	-
b) Income tax matters	59.42

Contingent liabilities	As at March 31, 2021
c) Customs duty matters, under appeal	1.19
d) Service tax matters, under appeal	16.82
e) VAT/CST matters	1.01
f) National Pharmaceutical Pricing Authority	49.21
Total	**161.05**

If a significant portion of these liabilities materializes, it could have an adverse effect on our results of operations, cash flows and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

56. ***Conflicts of interest may arise out of common business objects between our Company and certain Subsidiaries.***

Our Subsidiaries, QNPL, CareNow, Clinidirect, Clinisupplies Meditex, VitalCare, VitalCare China and VitalCare Ireland are involved in the same business operations as that of our Company. While we have not perceived any conflicts of interest in this regard as on date, in the event that we perceive any conflicts of interest in the future, we may be required to assess such potential conflicts of interest and take appropriate steps to address such conflicts of interest. For further details, see "*History and Certain Corporate Matters - Common Pursuits between our Subsidiaries and our Company*" on page 184.

57. ***Our Statutory Auditor has included certain matters of emphasis in its audit report on standalone and consolidated financial statements as at and for the year ended March 31, 2020***

Our Statutory Auditor has included certain matters of emphasis in its audit report on standalone and consolidated financial statements as at and for the year ended March 31, 2020. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Qualifications and Emphasis of Matters"* on page 313. There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

58. ***Our Company was incorporated in 1992 and we are unable to trace some of our secretarial and historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the untraceable filings and corporate records, which may impact our financial condition, cash flows and reputation.***

We have been unable to trace certain secretarial records, including the form filings made by the Company. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace copies of the following corporate records and regulatory filings of our Company:

- Forms-2 and 23 filed with the RoC, along with board and shareholders minutes, in relation to the allotment of an aggregate of 159,350 equity shares of our Company between the incorporation of our Company and March 31, 1995;
- Forms filed by our Company with the RBI in relation to certain allotments of equity shares by our Company;
- Board resolutions approving certain issuances of equity shares by our Company;
- Acknowledgments / payment receipts for certain form filings made with the RoC and the RBI; and
- records of the minutes of several board and shareholders' meetings since the time of incorporation until Fiscal 2018.

Accordingly, we have relied on other documents, including other form filings made with the RoC or RBI, annual returns and annual reports, to verify certain secretarial details of our Company. We cannot assure you that such records will be available in the future or that we have complied with applicable secretarial requirements, without irregularities, or at all.

We have been unable to trace these documents despite commissioning a search at the relevant Registrar of Companies through an independent practicing company secretary and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions in relation to the missing filings and corporate records will not be initiated against our Company in the future. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have an adverse effect on our financial condition, cash flows or reputation.

59. ***Our Company is in the process of liquidating Mena Medical Manufacturing (FZC), which may adversely affect our business and results of operations.***

Our Company has filed an application dated December 16, 2020 before the Sharjah Court to liquidate operations of its Subsidiary, Mena Medical Manufacturing (FZC) ("**MENA**"). MENA was incorporated pursuant to an agreement dated

July 2, 2012 and was set up to manufacture and sell surgical devices in the Middle East and North African regions. We cannot assure you that the liquidation of our Subsidiary, MENA, will not adversely affect our business and results of operations. For details, see "*History and Certain Corporate Matters – Summary of Key Agreements*" on page 177.

60. ***We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.***

This Draft Red Herring Prospectus includes non-GAAP financial measures such as our gross margin, EBITDA, EBITDA margin, adjusted EBITDA margin, PAT margin, net debt/(net cash), return on net worth, working capital, ROE, ROCE, net worth, restated net asset value per share, adjusted profit after tax margin, CAGR, net cash glows from / (used in) operating activities / EBITDA and debt equity ratio (collectively "**Non-GAAP Measures**"), which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP.

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

61. ***Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds towards (i) repayment and or pre-payment, in full or part, of certain borrowings availed by our Company, (ii) investment into our Subsidiaries, namely Sironix, Clinisupplies and Quality Needles; (iii) acquisitions and other strategic initiatives; and (iv) general corporate purposes. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" beginning on page 86. However, these objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoter or controlling shareholders, if applicable, would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Offer, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter or controlling shareholders, if applicable, to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter or the controlling shareholders of our Company if applicable, will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

62. ***Our Subsidiary, Quality Needles, has not yet placed orders for purchasing capital equipment. If there is any delay in placing the orders, or if the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, prospects, and results of operations may be adversely affected.***

We intend to invest ₹ 267.92 million from our Net Proceeds in our Subsidiary, Quality Needles to fund the purchase of capital equipment in order to meet its technological requirements. Quality Needles has received quotations from certain suppliers for (i) micro-surgical needle drilling laser, Model: NA 502N and micro-surgical needle rounding laser, Model: SLS 200CL 16; (ii) needle handling system for laser drilling system; and (iii) wire straightening and cutting machine, Type

UD -0. Quality Needles is yet to place any orders or enter into any definitive agreements for purchase of such equipment and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that that the same vendors would be engaged to eventually supply the equipment or that the machinery would be purchased at the same costs. Further, the actual amount and timing of future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the machinery or in the event the vendors are not able to provide the equipment in a timely manner, or at all, Quality Needles may encounter time and cost overruns. Further, if Quality Needles is unable to procure machinery and equipment from the vendors from whom it has procured quotations, we cannot assure you that Quality Needles will be able to identify alternative vendors to provide it with the machinery which satisfies it requirements at acceptable prices. Quality Needle's inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

63. ***We propose to utilize the Net Proceeds to undertake acquisitions for which targets have not been identified. Our inability to complete such transactions may adversely affect our competitiveness and growth prospects.***

We have completed three acquisitions in Fiscal 2022 and will continue to evaluate acquisition opportunities on an ongoing basis. We aim to continue to execute acquisitions to expand our product portfolio with high-quality, innovative products, and drive accelerated growth by leveraging our market access.

We intend to utilize ₹ 580.00 million from our Net Proceeds towards potential acquisitions and strategic initiatives. The amount of Net Proceeds identified for acquisitions is based on our management's estimates. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity, debt or any other instrument or combination thereof. At this stage, our Company cannot determine whether the form of investment will be equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards the acquisitions and strategic initiatives may not be the total value or cost of any acquisitions but is expected to provide us with sufficient financial leverage to enter into binding agreements. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives.

It is possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. In the event we are unable to identify or conclude transactions for potential inorganic growth to the extent of ₹ 580.00 million or a part thereof, we may utilize the balance amount for any other purposes only in accordance with Sections 13(8) and 27 of the Companies Act, 2013. This will entail an authorization by the shareholders in a general meeting by way of a special resolution to vary the object and 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 Schedule XX read with Regulation 59 of the SEBI ICDR Regulations.

64. ***Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders are selling Equity Shares in the Offer for Sale and will receive proceeds as part of the Offer for Sale.***

The Offer includes an Offer for Sale of Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, in proportion to their respective portion of the Offered Shares transferred by each of them in the Offer for Sale, and we will not receive any such proceeds. For further details, see "*Objects of the Offer*" and "*Capital Structure*" beginning on pages 86 and 69, respectively.

65. ***Many countries including India have joined in the efforts to ban plastic products. In case any plastic products manufactured by us are banned in India or in any of the markets where we export our products, it could have a material and adverse effect on our business and results of operations.***

Since plastic takes a longer time to biodegrade, many countries including India are finding alternatives to the use of plastic products as an environmental measure. While none of the measures taken so far has directly impacted our business, we cannot assure that future measures will not have a negative impact on our business. If the Government legislates against the use of plastic products or if regulations for the manufacture and use of plastic products are made more stringent, it could have a material and adverse effect on our business and results of operations.

66. ***During the last 12 months preceding the date of this Draft Red Herring Prospectus, we have issued Equity Shares at a price that may be lower than the Offer Price.***

We have, in the last 12 months preceding the date of filing of this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Offer Price. For details, see "*Capital Structure – Equity Shares issued in the preceding one year below the Offer Price*" on page 71. The prices at which we issued the Equity Shares in the past year should not be taken to be indicative of the Price Band, Offer Price and trading price of our Equity Shares after listing.

EXTERNAL RISKS - RISKS RELATING TO INDIA

67. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian, UK and Chinese economy and capital markets are influenced by economic, political and market conditions in India, UK, China and globally. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence, cause increased volatility in the securities markets, and indirectly affect these economies in general. Our performance and the growth of our business are necessarily dependent on the health of the overall Indian, UK and Chinese economy. Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares:

- increase in interest rates which may adversely affect our access to capital and increase our borrowing costs, if any, and may constrain our ability to grow our business and operate profitably;
- downgrade of India's sovereign debt rating by an independent agency;
- scarcity of credit or other financing;
- political instability, resulting from a change in governmental or economic and fiscal policies which may adversely affect economic conditions in India, UK and China;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- unionization of our or parts of our workforce or the association with a union by our or parts of our workforce leading to possible strikes, tools-down orders and wage hikes;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war;
- fires and/or natural calamities such as earthquakes, tsunamis, floods, and drought in recent years, which can result in damage to our property or inventory which may affect our productivity and may require us to evacuate personnel and suspend operations;
- changes in tax, trade, fiscal or monetary policies;
- financial instability and turmoil in other countries; and
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine.

***68. Our operations may be adversely affected by the effects of health pandemics, civil disturbances, social unrest, hostilities or acts of terrorism, natural disasters such as extreme weather events and other criminal activities*.**

Certain events that are beyond our control, such as health pandemics, terrorist attacks, natural calamities and other acts of violence or war, may adversely affect worldwide financial and Indian 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.

India has experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have an adverse effect on our business, financial condition, cash flows results of operations and the trading price of our Equity Shares. India has also experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. Instances of floods or other natural calamities could have an adverse effect on our business, financial condition, cash flows, results of operations and the trading price of our Equity Shares. Such events may result in a temporary decline in the number of patients who seek clinical testing services or in our employees' ability to perform their duties. In addition, such events may temporarily interrupt our ability to transport specimens, to receive materials from our suppliers or otherwise to provide our services.

69. It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

The enforcement of civil liabilities by overseas investors in the 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 the Company is incorporated under the laws of the Republic of India and all of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that a certified copy of a decree of any 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 a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the 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 and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The UK, United Arab Emirates, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The U.S. has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil 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 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, and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India. 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.

70. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition and cash flows.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

71. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a company in another jurisdiction.

72. The Competition Act may regulate our business and activities and proceedings may be enforced against us.

The Competition Act, 2002 (the "**Competition Act**") seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India ("**CCI**"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e. entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We may also be subject to queries from the CCI pursuant to complaints by customers or any third persons, which could be made without any or adequate basis given our market presence.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination thereof occurring outside of India if such agreement, conduct or combination thereof has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

73. ***We are, and after the Offer will remain, a "foreign owned and controlled" company in accordance with the Consolidated FDI Policy and FEMA Rules and accordingly, we shall be subject to Indian foreign investment laws.***

In accordance with the provisions of the Consolidated FDI Policy and FEMA Rules, our Company is a foreign owned and controlled company. As a foreign owned and controlled company, our Company is subject to various requirements under the Consolidated FDI Policy and other Indian foreign investment laws. Such requirements include restriction on undertaking certain business activities without prior Government approval or at all, and pricing guidelines applicable to issue or transfer of our Equity Shares.

While we believe that our business activities have been, and continue to remain, compliant with the requirements under the Consolidated FDI Policy and other Indian foreign investment laws, we cannot assure you that the Government, or a regulatory or judicial authority, will not take a different interpretation. A determination by the Government, or a regulatory or judicial authority, that any of our business activities are being, or have been, conducted in violation of the Consolidated FDI Policy and other applicable Indian foreign investment laws, would attract regulatory sanctions, including monetary penalties. In such an event, we may also have to cease undertaking the relevant business activities. Further, till the time we continue to be a foreign owned and controlled company, we may not be able to undertake certain commercially attractive business activities or investments without prior approval of the Government or at all.

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

As required under the SEBI ICDR Regulations, we have prepared the Restated Financial Information which are included in this Draft Red Herring Prospectus are based on audited financial statements which are prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. Ind AS differs from other accounting principles that prospective investors may be familiar with, such as IFRS and U.S. GAAP. Further, certain Subsidiaries prepare and report their respective financial statements under IFRS. These financial statements are then converted to Ind AS for consolidation purposes with suitable adjustments to account for difference in the accounting standards.

We have not attempted to quantify the impact of U.S. 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 U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which our financial statements, which are 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. 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 addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may thus not be directly comparable to ours. Reliance should accordingly be limited.

75. ***Any downgrade of our or India's debt rating by an independent agency may adversely affect our ability to raise financing.***

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. For Fiscal 2020, ICRA gave us a long-term rating of "ICRA A+ (Stable)", which means that we were considered to have a strong degree of safety regarding timely servicing of financial obligations and our long-term instruments carried a low credit risk. For the same period, our short-term rating by ICRA was "ICRA A1", which means that we were considered to have a very strong degree of safety regarding timely payment of financial obligations and our short-term instruments carried the lowest credit risk. However, in Fiscal 2021, ICRA downgraded our long-term rating to "ICRA A (Stable)", which means that we are considered to have an adequate degree of safety regarding timely servicing of financial obligations and our long-term instruments carry a low credit risk. For the same period, our short-term rating by ICRA was reaffirmed at "ICRA A1", which means that we are still considered to have a very strong degree of safety regarding timely payment of financial obligations and our short-term instruments continue to carry the lowest credit risk. Any future performance issues by us or the industry may result in a further downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any further downgrade of our credit ratings could result in default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

EXTERNAL RISKS - RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

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

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years, in particular has significantly depreciated in the month of March 2020, and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

As the Equity Shares are not listed, we have not been subject to the increased scrutiny by shareholders, regulators and the public as is associated with an equity-listed company. Pursuant to listing, we will incur significant legal, accounting, corporate governance and other expenses. We will be subject to the additional provisions of the Listing Regulations and the listing agreements to be executed with the Stock Exchanges with respect to the listing of Equity Shares, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. In the event of experiencing any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. In order to ensure the improvement in procedures for internal control over financial reporting and effective disclosure control, attention will be required. As a result, our management's attention may be diverted from other business concerns which would impact our business and operations. We may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner. Additionally, we cannot ensure that we will be able to fulfil the requirements of an equity-listed company in a timely manner.

78. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

79. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investors' "demat" account, become listed and are permitted to trade. Since the Equity Shares are not currently traded on the Stock Exchanges, once the equity shares are traded on the stock exchange, investors will be subject to market risk from the date they pay for the Equity Shares to the date when Equity Shares Allotted are listed and permitted to trade. Investors' book entry, or "demat" accounts with depository participants in India, are expected to be credited within one Working Day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There can be no assurance that the Equity Shares Allotted to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

Under the Companies Act, 2013, a company having a share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without us filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless we make such a filing. We are under no obligation to make such filings or registrations. In addition, we may not be able to take advantage, if any, of applicable exemptions. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in us would be reduced and you will experience dilution in your holdings as a result, and this could material economic harm.

81. 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 will be determined by us and the Selling Shareholder, in consultation with the Book Running Lead Managers, through the Book Building Process, in accordance with applicable prevailing regulations. This price will be determined on the basis of applicable law and various other factors, as described in the section "*Basis for Offer Price*" on page 96, and 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. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Offer.

82. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Offer Price.

The trading price of our Equity Shares may fluctuate after the Offer due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, economic liberalization, deregulation policies and procedures or programs applicable to our business, adverse media reports on us, volatility in the Indian and global securities market, performance of our competitors, the Indian medtech industry and the perception in the market about investments in the medtech industry. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

83. ***Any future issuance of Equity Shares, convertible securities or other equity linked instruments, by us, may dilute your shareholding or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

We may be required to finance our future growth and business requirements through additional securities offerings. Any future issuance of Equity Shares, convertible securities or securities linked to Equity Shares, including through exercise of employee stock options, by us, could dilute your shareholding. Any such future issuance of our Equity Shares, including sales of our Equity Shares by any of our significant shareholders, may also adversely affect the trading price of our Equity Shares, and may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investor that such issuances or sales might occur could also affect the trading price of our Equity Shares.

84. ***Investors may be subject to stamp duty on transfer and taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, Indian tax treaties do not generally limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. Further, the Finance Act, 2019 ("**Finance Act**"), passed by the Parliament of India stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis, is currently specified under the Finance Act at 0.015%, and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. We cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect our business, financial condition and results of operations.

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

Under the foreign exchange regulations currently in force in India, transfers of our Equity Shares between non-residents and residents and issuances of shares to non-residents by us are freely permitted (subject to certain exceptions), subject to compliance with FEMA and FEMA Rules including pricing guidelines and reporting requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

86. ***The Equity Shares are subject to transfer restrictions.***

The Equity Shares that are being offered are not required to be registered under the U.S. Securities Act. Therefore, the Equity Shares may be transferred or resold only in a transaction registered under or exempted from the registration requirements of the U.S. Securities Act and in compliance with any other applicable securities laws. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of Allotment of the Equity Shares in the Offer, QIBs subscribing Equity Shares in the Offer may only sell their Equity Shares on BSE or NSE and may not enter into any off-market trading in respect of these Equity Shares. There is no assurance that the restriction will not have an impact on the price and liquidity of the Equity Shares.

87. ***There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The price at which the Equity Shares will trade after this Offer will be determined by the marketplace and may be influenced by many factors, including, our financial results and the financial results of the companies in the businesses we operate in, the history of, and the prospects for, our business and the sectors in which we compete, the valuation of publicly traded companies that are engaged in business activities similar to us, and significant developments in India's economic liberalization and deregulation policies.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. Strong and atypical investor interest in the markets may also impact the demand for and price of our Equity Shares that are not directly correlated to our operating performance. The Indian stock exchanges have from time to time-imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects and may limit your ability to sell the Equity Shares.

88. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

89. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid***.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While Non-Institutional Investors invest monies belonging to others on their behalf, Retail Individual Investors invest for themselves, usually in brokerage or retirement accounts. While we are required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

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

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Offer of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Offer consists of:	
Fresh Issue(1)	Up to [●] Equity Shares, aggregating up to ₹ 3,900.00 million
Offer for Sale(2)	Up to 39,100,000 Equity Shares, aggregating up to ₹ [●] million
The Offer comprises of:	
A) QIB Portion(4)(5)	Not more than [●] Equity Shares
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
- Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
- Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(5)	Not less than [●] Equity Shares
C) Retail Portion(5)	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	97,761,124 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" on page 86 for information about the use of the proceeds from the Offer. Our Company will not receive any proceeds from the Offer since it only involves the Offer for Sale.

(1) The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated September 1 and by our Shareholders have approved pursuant to a resolution dated September 2, 2021. This DRHP has been approved by our Board pursuant to a resolution passed on September 5, 2021.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below:

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of board resolution	Date of consent letter
Promoter Selling Shareholder				
1.	Quinag Acquisition (FDI) Limited	Up to 39,000,000 Equity Shares	August 31, 2021	August 31, 2021
Individual Selling Shareholder				
2.	Mahadevan Narayanamoni	Up to 100,000 Equity Shares	-	August 31, 2021

For further details, please see "Offer Procedure – Undertakings by the Selling Shareholders" on page 494.

(3) Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 481.

(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 any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated prior to the Equity Shares offered pursuant to the Fresh issue.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Offer Procedure*" on page 481. For details of the terms of the Offer, see "*Terms of the Offer*" on page 474. For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on pages 479 and 481, respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Information for the years ended March 31, 2021, March 31, 2020 and March 31, 2019. The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 207 and 291.

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RESTATED CONSOLIDATED SUMMARY BALANCE SHEET

(in ₹ million, except share data and unless otherwise specified)

Particulars	As at		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Non-current assets			
Property, plant and equipment	1,094.20	1,147.54	1,136.24
Capital work in progress	54.46	47.53	124.65
Goodwill	1,224.92	1,224.92	1,224.92
Other Intangible assets	162.58	104.68	50.87
Intangible assets under development	2.86	1.76	-
Right-of-use assets	449.97	260.39	165.89
Financial assets			
Investments	0.02	0.02	0.02
Loans	61.63	64.72	68.30
Other financial assets	65.43	19.87	27.58
Income tax assets (Net)	232.65	121.82	72.30
Deferred tax assets (Net)	196.95	246.50	202.39
Other non-current assets	49.61	68.63	26.02
Total non-current assets	**3,595.28**	**3,308.38**	**3,099.18**
Current assets			
Inventories	1,287.21	1,252.57	1,306.64
Financial assets			
Investments	38.67	36.59	181.41
Trade receivables	1,096.43	1,218.11	1,045.11
Cash and cash equivalents	1,088.12	317.78	564.18
Loans	3.63	3.99	5.10
Bank balances other than cash and cash equivalents	130.53	223.37	162.81
Other financial assets	88.27	197.87	162.19
Other current assets	589.63	544.42	306.80
Total current assets	**4,322.49**	**3,794.70**	**3,734.24**
Total assets	**7,917.77**	**7,103.08**	**6,833.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	92.56	92.47	92.47
Other equity	5,092.91	4,479.41	4,981.60
Total Equity	**5,185.47**	**4,571.88**	**5,074.07**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	762.98	421.04	362.00
Lease liabilities	305.95	135.57	44.13
Other financial liabilities	122.48	53.82	50.74
Provisions	2.22	18.74	-
Other non-current liabilities	6.02	8.27	18.00
Total non-current liabilities	**1,199.65**	**637.44**	**474.87**
Current liabilities			
Financial liabilities			
Borrowings	202.24	319.57	100.49
Lease liabilities	70.26	38.88	25.17
Trade payables			
- total outstanding dues of micro and small enterprises	15.24	20.82	52.81
- total outstanding dues of creditors other than micro and small enterprises	663.55	626.77	401.04
Other financial liabilities	275.28	497.58	556.29
Other current liabilities	243.35	186.21	59.12
Provisions	50.02	172.64	40.84
Current tax liabilities (Net)	12.71	31.29	48.72
Total non-current liabilities	**1,532.65**	**1,893.76**	**1,284.48**
Total liabilities	**2,732.30**	**2,531.20**	**1,759.35**
Total equity and liabilities	**7,917.77**	**7,103.08**	**6,833.42**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(in ₹ million, except share data and unless otherwise specified)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	7,133.57	6,391.79	5,840.20
Other income	94.77	101.65	12.91
Finance income	39.24	30.37	35.93
Total income	**7,267.58**	**6,523.81**	**5,889.04**
Expenses			
Cost of raw material and components consumed	1,480.33	1,122.14	1,265.13
Purchase of traded goods	1,228.11	952.35	770.44
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	(21.18)	105.98	(6.46)
Employee benefits expense	1,698.32	1,670.46	1,484.92
Finance costs	94.87	92.17	71.87
Depreciation and amortization expense	353.31	315.13	265.29
Other expenses	1,323.70	1,525.26	1,399.91
Total expense	**6,157.46**	**5,783.49**	**5,251.10**
Restated Profit before exceptional items and tax	**1,110.12**	**740.32**	**637.94**
Exceptional items	20.21	(161.51)	(394.90)
Restated Profit before tax	**1,130.33**	**578.81**	**243.04**
(1) Current tax	274.47	295.75	207.05
(2) Income tax credit pertaining to earlier period	(43.53)	(39.76)	0.00
(3) Deferred tax charge/(credit)	45.11	(44.78)	(101.32)
Income tax expense	**276.05**	**211.21**	**105.73**
Restated Profit for the year	**854.28**	**367.60**	**137.31**
Re-measurement gains/(losses) on defined benefit plans	3.34	0.43	(2.70)
Income tax effect on above	(0.69)	(0.36)	0.98
Net exchange (losses)/gains on translation of foreign operations	(11.56)	(75.35)	43.39
Other comprehensive income/(loss) for the year, net of tax	**(8.91)**	**(75.28)**	**41.67**
Restated total comprehensive income for the year, net of tax	**845.37**	**292.32**	**178.98**
Restated profit for the year attributable to equity holders of the parent	**854.28**	**367.60**	**137.31**
Restated total comprehensive income for the year attributable to equity holders of the parent	**845.37**	**292.32**	**178.98**
Restated Earnings per share			
Basic, computed on the basis of restated profit attributable to equity holders of the parent	18.47	7.95	2.97
Diluted, computed on the basis of restated profit attributable to equity holders of the parent	18.47	7.95	2.97

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(in ₹ million, except share data and unless otherwise specified)

Particulars	For the year ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Operating activities			
Restated Profit after exceptional items and before tax	**1,130.33**	**578.81**	**243.04**
Adjustments to reconcile restated profit after exceptional items and before tax to net cash flows:			
Depreciation of property, plant and equipment and Right of use assets	290.76	279.87	238.81
Amortisation of intangible assets	62.55	35.26	26.48
Impairment expense on Capital Work in Progress ("CWIP")	5.45	-	-
Loss/(gain) on sale/write off of property, plant and equipment (net)	4.72	6.56	(0.13)
Share-based payment expense (net of cash settlement in FY 2018-2019)	40.29	41.41	16.82
Net unrealised foreign exchange differences	(43.06)	(68.24)	61.26
Interest income	(39.24)	(30.37)	(35.93)
Interest expense	94.87	92.17	71.87
Liabilities/ provisions no longer required written back	(2.40)	(23.34)	(1.29)
Allowances for doubtful debts and advances	19.22	42.35	18.42
Provision for expected loss from sale/liquidation of subsidiary	-	53.57	-
Dividend income	(0.26)	(4.46)	(5.20)
Bad debts written off	0.02	1.56	-
(Profit)/ Loss on sale of investments	(2.41)	0.24	(3.85)
Fair value gain on financial instruments at fair value through profit or loss	17.66	(0.52)	(1.51)
Working capital adjustments:			
(Increase)/ decrease in trade receivables	102.35	(200.60)	211.75
(Increase)/ decrease in loans	3.45	4.69	(11.64)
(Increase)/ decrease in inventories	(5.78)	56.20	(57.99)
(Increase)/ decrease in other financial assets including bank balances other than cash and cash equivalents	30.17	(36.63)	(70.22)
(Increase)/ decrease in other assets	(45.15)	(241.74)	(20.50)
Increase/ (decrease) in other liabilities and provisions	(58.68)	214.76	(10.68)
Increase/ (decrease) in trade payables and other financial liabilities	(26.97)	96.54	145.04
Income tax paid	**(356.60)**	**(308.85)**	**(300.17)**
Net cash flows from/ (used in) operating activities (A)	**1,221.29**	**589.24**	**514.38**
Investing activities			
Proceeds from sale of property, plant and equipment	10.42	19.04	2.00
Purchase of property, plant and equipment, including capital work in progress and capital advances	(184.04)	(247.63)	(330.89)
Purchase of intangible assets	(15.73)	(73.54)	(3.09)
Proceeds from sale of current investments (net)	1.08	145.10	29.20
Proceeds from/ (investments in) bank deposits and margin money deposit (net)	103.93	(38.83)	169.98
Interest received	62.02	17.30	36.62
Dividend income	0.26	4.46	5.20
Net cash flows from/ (used in) investing activities (B)	(22.06)	(174.10)	(90.98)
Financing activities			
Proceeds from issuance of share capital	20.04	-	30.24
Interest paid	(167.21)	(35.52)	(50.49)
Proceeds from/(repayment of) long term borrowings, net	197.24	(10.32)	(172.95)
(Repayment of)/Proceeds from current borrowings, net	(117.33)	219.08	100.49
Repayment of lease liabilities	(66.60)	(28.85)	(20.82)
Dividends paid to equity share holders	(312.39)	(673.19)	(72.60)
Dividend distribution tax paid	(0.94)	(143.23)	(13.98)
Net cash flows from/ (used in) financing activities (C)	**(447.19)**	**(672.03)**	**(200.11)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**752.04**	**(256.89)**	**223.29**
Net foreign exchange difference	**18.30**	**10.49**	**(1.94)**
Cash and cash equivalents at the beginning of the year	**317.78**	**564.18**	**342.83**
Cash and cash equivalents at year end	**1,088.12**	**317.78**	**564.18**

GENERAL INFORMATION

Our Company was incorporated as Sutures India Private Limited at Bengaluru, Karnataka, as a private limited company, under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 28, 1992 issued by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**"). Subsequently, the name of our Company was changed to Healthium Medtech Private Limited and a fresh certificate of incorporation was issued by the RoC dated May 25, 2017. Subsequently, our Company converted from a private limited company to a public limited company and the name of our Company was changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation granted to our Company by the RoC, dated August 4, 2021, consequent to such change of name. For further details on the changes in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 173.

Registered Office
472/D, 4th Phase, 13th Cross
Peenya Industrial Area
Bengaluru 560058
Karnataka, India

Registration Number: 013831
Corporate Identity Number: U03311KA1992PLC013831

Corporate Office
RMZ North Star, Cowrks, 12th Floor
Adjacent to RMZ Galleria Mall, Yelahanka
Bengaluru 560064
Karnataka, India

Address of the RoC

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

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sadana, Kormangala
Bangalore 560034
Karnataka, India

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises the following:

Name	Designation	DIN	Address
Ajay Gupta	Chairman and Non-Executive Independent Director	08941393	1051 Romona Road, Wilmette, Illinois 60091, United States
Anish Bafna	Managing Director and Chief Executive Officer	02925792	Villa no.83 Prestige Oasis, Adde Vishwanathapur Village, Off Doddaballapur road, Rajanukunte, Bengaluru 560064
Mohammed Azeez	Whole-time Director	03527725	56, SMS Residency, behind Robert Bosch, popular colony, Bengaluru South, Bengaluru 560068
Ramesh Subrahmanian	Non-Executive Independent Director	02933019	235 Arcadia Road a 06-07, Singapore 289843
Shashank Singh	Non-Executive Nominee Director	02826978	7-a, Manek Building, L.D Ruparel Marg Malabar Hill, Mumbai 400006
Steven Dyson	Non-Executive Nominee Director	08145761	69 Priory Road, London NW6 3NH
Sudarshan Jain	Non-Executive Nominee Director	00927487	Flat 101, 1st floor, Jamuna Mahal CHS 73, Prabhat colony, Santacruz East, Mumbai 400055
Namrata Kaul	Non-Executive Independent Director	00994532	Flat 401 Tower B6, The World Spa, Sector 30, Gurgaon, Haryana 122001

For further details of our Directors, see "*Our Management*" on page 185.

Company Secretary and Compliance Officer

Pallavi Karkera
472/D, 13th Cross, 4th Phase, Peenya, Industrial Area, Peenya,
Bengaluru - 560058, Karnataka, India
Tel: +91 80 41868000
E-mail: pallavi.k@healthiummedtech.com

Book Running Lead Managers

ICICI Securities Limited ICICI Centre, H. T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India **Tel**: +91 22 2288 2460 **E-mail**: healthium.ipo@icicisecurities.com **Investor Grievance E-mail**: customercare@icicisecurities.com **Website**: www.icicisecurities.com **Contact Person**: Shekher Asnani/ Nidhi Wangnoo **SEBI Registration No.**: INM000011179	**CLSA India Private Limited** 8/F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India **Tel**: +91 22 6650 5050 **E-mail**: healthium.ipo@clsa.com **Investor Grievance E-mail**: investor.helpdesk@clsa.com **Website**: www.india.clsa.com **Contact Person**: Sarfaraz Agboatwala / Siddhant Thakur **SEBI Registration No.**: INM000010619	**Credit Suisse Securities (India) Private Limited** 9th Floor, Ceejay House Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India **Tel**: +91 22 6777 3885 **E-mail**: list.healthiumipo@credit-suisse.com **Investor Grievance E-mail**: list.igcellmer-bnkg@credit-suisse.com **Website**: www.credit-suisse.com **Contact Person**: Abhishek Joshi **SEBI Registration No.**: INM000011161	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India **Tel**: +91 22 4037 4037 **E-mail**: healthiumipo@nomura.com **Investor Grievance E-mail**: investorgrievances-in@nomura.com **Website**: www.nomuraholdings.com/company/group/asia/india/index.html **Contact Person**: Vishal Kanjani / Chirag Shah **SEBI Registration No.**: INM000011419

Legal Counsel to our Company and the Promoter Selling Shareholder as to Indian Law

Cyril Amarchand Mangaldas
Prestige Falcon Tower
3rd Floor, Brunton Road
Craig Park Layout, Victoria Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

Khaitan & Co
Max Towers
7th & 8th Floors
Sector 16B, Noida
Gautam Budh Nagar 201 301
Uttar Pradesh, India
Tel: +91 120 479 1000

International Legal Counsels to the BRLMs

White & Case Pte. Ltd.
8 Marina View #27-01
Asia Square Tower 1
Singapore 018960
Tel: +65 6225 6000

Statutory Auditors to our Company

S. R. Batliboi & Associates LLP
12th floor, UB City, Canberra Block
No. 24, Vittal Mallya Road
Bengaluru 560001
Karnataka, India
Tel: +91 80 6648 9000
Email: SRBA@srb.in
Firm registration number: 101049W/E300004
Peer review number: 013325

There has been no change in our auditors in the last three years.

Registrar to the Offer

KFin Technologies Private Limited
Selenium, Tower B
Plot No- 31 and 32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareedi 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: hml.ipo@kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Syndicate Members

[●]

Bankers to the Offer

Escrow Collection Bank (s)

[●]

Refund Bank (s)

[●]

Public Offer Bank (s)

[●]

Sponsor Bank

[●]

Bankers to our Company

The Hongkong and Shanghai Banking Corporation Limited, India

HSBC Center, 7, Mahatma Gandhi Road
Bengaluru 560 001
Karnataka, India
Tel: 08066162080
E-mail ID: ayankjain@hsbc.co.in

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

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

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and 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 Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent dated September 5, 2021 from our Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name, as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft red Herring Prospectus, as an "expert" as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 1, 2021 on our Restated Financial Information; and (ii) their report dated September 3, 2021 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Additionally, our Company has also received a letter dated September 1, 2021 from Protech Consultants, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 86.

Appraising Entity

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

Credit Rating

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

IPO Grading

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

Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Offer, etc.	I-Sec, CLSA, Credit Suisse, Nomura	I-Sec
2.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.	I-Sec, CLSA, Credit Suisse, Nomura	I-Sec
3.	Drafting and approval of statutory advertisements	I-Sec, CLSA, Credit Suisse, Nomura	I-Sec
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	I-Sec, CLSA, Credit Suisse, Nomura	Nomura
5.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Syndicate, Sponsor Bank, Bankers to the Issue and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	I-Sec, CLSA, Credit Suisse, Nomura	Nomura
6.	Preparation of road show marketing presentation and frequently asked questions	I-Sec, CLSA, Credit Suisse, Nomura	CLSA and Nomura
7.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	I-Sec, CLSA, Credit Suisse, Nomura	Credit Suisse and Nomura
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	I-Sec, CLSA, Credit Suisse, Nomura	I-Sec and CLSA
9.	Retail and Non-Institutional marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; and • Deciding on the quantum of the offer material and follow-up on distribution of publicity and offer material	I-Sec, CLSA, Credit Suisse, Nomura	I-Sec
10.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholder.	I-Sec, CLSA, Credit Suisse, Nomura	Nomura

S. No.	Activity	Responsibility	Co-ordination
11.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit and release of the security deposit post closure of the issue, anchor co-ordination and intimation of anchor allocation.	I-Sec, CLSA, Credit Suisse, Nomura	Credit Suisse
12.	Post- Issue activities, which shall involve essential follow-up with bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholder 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. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the final post Offer report to SEBI	I-Sec, CLSA, Credit Suisse, Nomura	I-Sec

Filing

A copy of this Draft Red Herring Prospectus will be filed electronically on the platform provided by SEBI and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD."

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

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sadana, Kormangala
Bangalore 560034
Karnataka, India

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, and minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs after the Bid/ Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

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

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company along with the Selling Shareholders have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

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

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 479 and 481, respectively.

Bidders should note that the Offer is also subject to obtaining (i) 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.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure"* on page 481.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/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 proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively 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. Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

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

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**(1)		
	500,000,000 Equity Shares	500,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	97,761,124 Equity Shares	97,761,124	[●]
C	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares(2)(3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,900 million (2)	[●]	[●]
	Offer for Sale of up to 39,100,000 Equity Shares (3)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		6,992,017,108.20
	After the Offer		[●]

* *To be updated upon finalisation of Offer Price*

(1) *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 173.*

(2) *The Offer has been authorised by a resolution of our Board of Directors at their meeting held on September 1, 2021, and the Shareholders have authorized the Fresh Issue by a special resolution at their meeting held on September 2, 2021. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 1, 2021. The Selling Shareholders have confirmed and authorised their participation in the Offer for Sale. For further details, see "Other Regulatory and Statutory Disclosures" on page 462.*

(3) *The Equity Shares being offered by the Selling Shareholders have been held by the Selling Shareholders for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 462.*

Notes to the Capital Structure

I. Equity Share capital history of our Company

(a) The history of the Equity Share capital of our Company is set forth below:

Date of buy back/allotment of equity shares#	Number of equity shares allotted/bought back	Face value per equity share (in ₹)	Issue/ buy back price per equity share (in ₹)	Nature of allotment / buy back	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
December 10, 1992	30	10	10.00	Initial subscription to the Memorandum of Association (1)	Cash	30	300
*Between December 10, 1992 and March 31, 1995, our Company had issued an aggregate of 159,350 equity shares of face value ₹ 10 each**						159,380	1,593,800
March 1, 1998	112,380	10	10.00	Further issue (2)	Cash	271,760	2,717,600
July 30, 2008	1,087,040	10	-	Bonus issue (3)	N/A	1,358,800	13,588,000
September 01, 2009	91,810	10	1,089.20	Further issue (4)	Cash	1,450,610	14,506,100
September 16, 2010	109,679	10	1,094.10	Further issue (5)	Cash	1,560,289	15,602,890
May 24, 2013	(31,400)	10	100.00	Buy-Back (6)	Cash	1,528,889	15,288,890
August 12, 2013	31,201	10	-	Bonus issue (7)	N/A	1,560,090	15,600,900
March 18, 2015	200,012	10	6,249.63	Private placement (8)	Cash	1,760,102	17,601,020
June 4, 2015	59,447	10	6,565.68	Private placement (9)	Cash	1,819,549	18,195,490
January 7, 2016	(113,208)	10	5,600.00	Buy-Back (10)	Cash	1,706,341	17,063,410

Date of buy back/allotment of equity shares#	Number of equity shares allotted/bought back	Face value per equity share (in ₹)	Issue/ buy back price per equity share (in ₹)	Nature of allotment / buy back	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
March 6, 2017	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹2 each					8,531,705	17,063,410
March 29, 2017	25,595,115	2	-	Bonus issue (11)	N/A	34,126,820	68,253,640
March 31, 2017	11,965,193	2	375.30	Preferential Allotment (12)	Other than Cash	46,092,013	92,184,026
April 06, 2017	25,311	2	375.30	Preferential Allotment (13)	Other than Cash	46,117,324	92,234,648
August 20, 2018	70,000	2	225.00	Exercise of stock options (14)	Cash	46,187,324	92,374,648
September 25, 2018	18,000	2	225.00	Exercise of stock options (15)	Cash	46,237,064	92,474,128
	31,740	2	330.00	Exercise of stock options (16)			
September 14, 2020	43,500	2	460.59	Preferential Allotment (17)	Cash	46,280,564	92,561,128
August 7, 2021	Sub-division of equity shares of face value of ₹2 each to Equity Shares of face value of ₹1 each					92,561,128	92,561,128
August 26, 2021	5,199,996	1	250.00	Rights Issue (18)	Cash	97,761,124	97,761,124

* *In connection with the allotment of 159,350 equity shares between the date of incorporation of our Company and March 31, 1995, we are unable to locate relevant forms or secretarial records. For further details, please see "Risk Factors – Our Company was incorporated in 1992 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the untraceable filings and corporate records, which may impact our financial condition and reputation." on page 47.*

(1) *Allotment of 10 equity shares each to L.G. Chandrasekhar, S.V. Nene and S.Subramanian pursuant to subscription to the Memorandum of Association.*

(2) *Allotment of 48,090 equity shares to L.G. Chandrasekhar, 32,040 equity shares to Geetha Chandrasekar and 32,250 equity shares to S.Subramanian.*

(3) *Bonus issue of 384,640 equity shares to L.G. Chandrasekhar, 256,320 equity shares to Geetha Chandrasekar, 44,000 equity shares to Venkatraman Iyer, 306,440 equity shares to S.Subramanian, 34,000 equity shares to Hema Sundaram, 30,000 equity shares to Indira Ganesan, 31,600 equity shares to Ganesan N and 40 Equity Shares to S.V. Nene in the ratio of 4 bonus equity shares for every 1 existing share.*

(4) *Allotment of 91,810 equity shares to Evolenvence India Life Sciences LLC.*

(5) *Allotment of 109,679 equity shares to Evolenvence India Life Sciences LLC.*

(6) *Buy back of 15,700 equity shares each from L.G Chandrasekhar and Subramanian Sivaraman.*

(7) *Bonus issue of 7,990 equity shares to L.G Chandrasekhar, 5,471 equity shares to S. Subramanian, 5,538 equity shares to Geetha Chandrasekar, 636 equity shares to Venkatraman Iyer, 1 equity share to S.V. Nene, 66 equity shares to Prabhakar Valivati, 36 equity shares to Parvathi Prabhakar, 11,234 equity shares to Ambrose Private Limited and 229 equity shares to AAJV Investment Trust (through its trustee) in the ratio of 1 bonus share for every 49 equity shares held.*

(8) *Allotment of 200,012 equity shares to TPG Growth II SF Pte. Ltd.*

(9) *Allotment of 17,900 equity shares to Ajay Patel, 36,923 equity shares to Hemang Badiani and 4,624 equity shares to Christopher Portis.*

(10) *Buy back of 36,350 equity shares from Geetha Chandrasekar, 41,744 equity shares from S. Subramanian, 3,301 equity shares from Prabhakar Valivati and 31,813 equity shares from Venkatraman Iyer.*

(11) *Bonus issue of 1,210,695 equity shares to L.G Chandrasekhar, 1,760,415 equity shares to Geetha Chandrasekar, 940,875 equity shares to S. Subramanian, 765 equity shares to S.V. Nene, 85,431 equity shares to AAJV Investment Trust, 4,186,209 equity shares to Ambrose Private Limited, 16,295,955 equity shares to TPG Growth II SF Pte. Ltd., 478,500 equity shares to Ajay Patel, 553,845 equity shares to Hemang Badiani, 69,360 equity shares from Christopher Portis, 13,065 equity shares from Mahadevan Narayanamoni in the ratio of 3 bonus equity shares for every 1 equity share held.*

(12) *Allotment of 11,965,193 equity shares to TPG Growth II Markets Pte. Ltd.*

(13) *Allotment of 25,311 equity shares to Mahadevan Narayanamoni.*

(14) *Allotment of 70,000 equity shares to Mahadevan Narayanamoni*

(15) *Allotment of 18,000 equity shares to Mahadevan Narayanamoni*

(16) *Allotment of 31,740 equity shares to Mahadevan Narayanamoni*

(17) *Allotment of 6,515 equity shares to Sudarshan Jain, 20,700 equity shares to Kankana Barua and 16,285 equity shares to Vishal Maheshwari.*

(18) *Allotment of 5,188,824 Equity Shares to Quinag Acquisition (FDI) Ltd., 6,172 Equity Shares to Mahadevan Narayanamoni, 2,325 Equity Shares to Kankana Barua, 1,829 Equity Shares to Vishal Maheshwari, 732 Equity Shares to Sudarshan Jain and 114 Equity Shares to S.V. Nene*

2. Equity Shares issued for consideration other than cash or out of revaluation reserves

(i) Our Company has not issued any equity shares out of revaluation reserves since its incorporation.

(ii) Except as disclosed below, our Company has not issued equity shares for consideration other than cash, other than through bonus issues:

Date of allotment	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of transaction	Nature of consideration
March 31, 2017	11,965,193	2	375.30	Allotment of equity shares in consideration of shares acquired of Quality Needles Private Limited. (1)	Other than cash
April 06, 2017	25,311	2	375.30	Allotment of equity shares in consideration of shares acquired of Quality Needles Private Limited. (2)	Other than cash

(1) Allotment of 11,965,193 equity shares to TPG Growth II Markets Pte. Ltd.
(2) Allotment 25,311 equity shares to Mahadevan Narayanamoni.

3. Offer of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

4. Issue of Equity Shares under employee stock option schemes

Except for the exercise of options which have been granted pursuant to the Prior ESOP Schemes, our Company has not issued any equity shares under employee stock option schemes. For further details in relation to the issue of equity shares under the employee stock option schemes of our Company, see "*Capital Structure – Equity Share capital of our Company*" on page 69.

5. Equity Shares issued in the preceding one year below the Offer Price

Except for the below, our Company has not issued any Equity Shares or preference shares which may be at a price lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of transaction	Nature of consideration
September 14, 2020	43,500	2	460.59	Preferential Allotment. (1)	Cash
August 26, 2021	5,199,996	1	250.00	Rights Issue (2)	Cash

(1) Allotment of 6,515 equity shares to Sudarshan Jain, 20,700 equity shares to Kankana Barua and 16,285 equity shares to Vishal Maheshwari.
(2) Allotment of 5,188,824 Equity Shares to Quinag Acquisition (FDI) Ltd., 6,172 Equity Shares to Mahadevan Narayanamoni, 2,325 Equity Shares to Kankana Barua, 1,829 Equity Shares to Vishal Maheshwari, 732 Equity Shares to Sudarshan Jain and 114 Equity Shares to S.V. Nene.

6. History of the Equity Share capital held by our Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter hold in aggregate 97,551,030 Equity Shares, constituting 99.79% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

a) Build-up of our Promoter's Equity shareholding in our Company

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

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
Quinag							
June 22, 2018	Transfer from L.G Chandrasekhar	1,614,260	Cash	2	455.59	1.65%	[●]
June 22, 2018	Transfer from S.Subramanian	573,221	Cash	2	455.59	0.58%	[●]
June 22, 2018	Transfer from Geetha Chandrasekar	2,347,220	Cash	2	455.59	2.39%	[●]
June 22, 2018	Transfer from Ambrose Private Limited	5,581,612	Cash	2	455.59	5.69%	[●]
June 22, 2018	Transfer from AAJV Investment Trust	113,908	Cash	2	455.59	0.12%	[●]
June 22, 2018	Transfer from Ajay Patel	638,000	Cash	2	455.61	0.65%	[●]
June 22, 2018	Transfer from Hemang Badiani	738,460	Cash	2	455.61	0.75%	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Nature of conside ration	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
June 22, 2018	Transfer from Christopher Portis	92,480	Cash	2	455.61	0.09%	[●]
June 22, 2018	Transfer from TPG Growth II Markets Pte Ltd	33,693,133	Cash	2	455.61	34.35%	[●]
June 22, 2018	Transfer from Menu Private Limited	681,279	Cash	2	455.59	0.69%	[●]
September 19, 2018	Transfer from Mahadevan Narayanamoni	70,000	Cash	2	455.59	0.07%	[●]
October 09, 2018	Transfer from Mahadevan Narayanamoni	37,530	Cash	2	455.59	0.04%	[●]
August 7, 2021	*Our Company sub-divided each equity share of a face value of ₹ 2 each to 2 Equity Shares of a face value of ₹ 1 each, and accordingly, the 46,181,103 equity shares of a face value of ₹ 2 each held by Quinag as on such date were sub-divided into 92,362,206 Equity Shares of a face value of ₹ 1 each*					47.07%	
August 26, 2021	Rights Issue	5,188,824	Cash	1	250.00	5.29%	[●]
Total		**97,551,030**				**99.44**	

* *Our pre-Offer paid up share capital has been considered on a fully diluted basis, considering the vested stock options as on the date of this Draft Red Herring Prospectus.*

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment or acquisition as the case may be of such Equity Shares. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are subject to any pledge.

b) **Details of Promoters' Contribution and Lock-in**

(i) In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter (assuming exercise of vested options, if any, under the ESOP), shall be locked in for a period of eighteen months from the date of Allotment or any other date as may be specified by SEBI and the shareholding of our Promoter in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment or any other date as may be specified by SEBI.

(ii) Our Promoter has consented pursuant to its letter dated August 31, 2021, to the inclusion of such number of Equity Shares held by it, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as minimum Promoter's contribution and has agreed not to sell, dispose, transfer, charge, pledge or otherwise encumber in any manner the minimum Promoter's contribution from the date of filing of this Draft Red Herring Prospectus until the expiry of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations

(iii) The details of the Equity Shares held by our Promoter, which shall be locked-in for a period of eighteen months from the date of Allotment are set forth below.

Name of Promoter	Number of Equity Shares locked-in(1)(2)	Date of allotment/ transfer*	Nature of transaction	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share Capital
Quinag	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *Subject to finalisation of Basis of Allotment*
(1) For a period of eighteen months from the date of Allotment
(2) All Equity Shares were fully paid-up at the time of allotment/acquisition

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "- *History of the Equity Share Capital held by our Promoter*" on page 71.

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

a. The Equity Shares offered for Promoters' contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; or (b) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution.

b. The Promoters' contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

c. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company.

d. As on the date of DRHP, Equity Shares held by the Promoter and offered for Promoters' contribution are not subject to any pledge.

e. All the Equity Shares held by the Promoter are held in dematerialised form.

c) **Other lock-in requirements***:*

(i) In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for eighteen months as specified above, in terms of Regulation 16(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares sold pursuant to the Offer for Sale; (ii) any Equity Shares allotted to the employees of our Company under the ESOP, as applicable; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

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

(iii) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

(iv) The Equity Shares held by the Promoter which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

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

(vi) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

(vii) Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

d) **Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

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

7. **Shareholding Pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of 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 dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoter and Promoter Group	1	9,75,51,030	NIL	NIL	9,75,51,030	99.79%	9,75,51,030	NIL	9,75,51,030	99.79%	NIL	99.79%	NIL		NIL		9,75,51,030
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C)	Non Promoter-Non Public	6	2,10,094	NIL	NIL	2,10,094	0.21%	2,10,094	NIL	2,10,094	0.21%	NIL	0.21%	NIL		NIL		2,10,094
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	7	**9,77,61,124**	**NIL**	**NIL**	**9,77,61,124**	**100%**	**9,77,61,124**	**NIL**	**9,77,61,124**	**NIL**	**NIL**	**100%**	**NIL**		**NIL**		**9,77,61,124**

8. **Details of equity shareholding of the major shareholders of our Company:**

a) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)	Percentage of the share capital on a fully diluted basis*
1.	Quinag Acquisition (FDI) Ltd	97,551,030	99.79	99.44
	Total	**97,551,030**	**99.79**	**99.44**

* *Our Company's share capital on a fully diluted basis is inclusive of exercise of stock options under the ESOP that have vested as on the date of this Draft Red Herring Prospectus.*

b) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)	Percentage of the share capital on a fully diluted basis*
1.	Quinag Acquisition (FDI) Ltd.	97,551,030	99.79	99.44
	Total	**97,551,030**	**99.79**	**99.44**

* *Our Company's share capital on a fully diluted basis is inclusive of exercise of stock options under the ESOP that have vested ten days prior the date of this Draft Red Herring Prospectus.*

c) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)	Percentage of the share capital on a fully diluted basis*
1.	Quinag Acquisition (FDI) Ltd.	46,181,103	99.88	99.70
	Total	**46,181,103**	**99.88**	**99.70**

* *Our Company's share capital on a fully diluted basis is inclusive of exercise of stock options under the ESOP that have vested one year prior to the date of this Draft Red Herring Prospectus.*

d) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)	Percentage of the share capital on a fully diluted basis*
1.	Quinag Acquisition (FDI) Ltd.	46,181,103	99.88	99.88
	Total	**46,181,103**	**99.88**	**99.88**

* *Our Company's share capital on a fully diluted basis is inclusive of exercise of stock options under the ESOP that have vested two years prior to the date of this Draft Red Herring Prospectus.*

9. **Details of Equity Shares held by our Directors, Key Managerial Personnel, Promoter and Promoter Group**

(i) Except as disclosed below our Directors and Key Managerial Personnel do not hold Equity Shares and employee stock options in our Company:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding	Percentage of the post-Offer of Equity Share Capital (%)
Directors of the Company					
1.	Sudarshan Jain	13,762	0.01	Nil	[●]
2.	Anish Bafna	2	Negligible	2,772,000	[●]
3.	Mohammed Azeez	Nil	Nil	158,400	[●]
Sub Total (A)		**13,764**	**0.01**	**2,930,400**	
Key Managerial Personnel					
4.	Vishal Maheshwari	34,339	0.04	475,200	[●]
5.	Kankana Barua	43,725	0.04	118,800	[●]
6.	Pallavi Karkera	Nil	N/A	11,880	[●]
Sub Total (B)		**78,064**	**0.07**	**605,880**	**[●]**
Total (C=A+B)		**91,828**	**0.08**	**3,536,280**	**[●]**

(ii) Set out below are the details of the Equity Shares held by our Promoter and the members of the Promoter Group, in our Company:

S. No.	Name of the shareholder	Pre-Offer Number of Equity Shares	Percentage of the Pre-Offer Equity Share Capital (%)	Post-Offer Number of Equity Shares	Percentage of the Post-Offer Equity Share Capital (%)
Promoter					
1.	Quinag Acquisition (FDI) Ltd.	97,551,030	99.79	[●]	[●]

The directors of our Promoter and the members of our Promoter Group do not hold any Equity Shares in our Company.

10. Except for the issue of any Equity Shares pursuant to exercise of options granted under ESOP and the Fresh Issue, if any, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

11. As on the date of filing of this Draft Red Herring Prospectus, the total number of shareholders of our Company is seven.

12. Except as disclosed below, none of our Promoter, members of our Promoter Group, directors of Quinag Acquisition (FDI) Ltd., or the Directors of our Company or any of their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Date of purchase/sale	Number of equity shares	Name of the party	Nature of transaction
July 14, 2021	1	Anish Bafna	Purchase of equity share of face value of ₹ 2 from Mahadevan Narayanamoni

13. There have been no financing arrangements whereby members of our Promoter Group, any of the directors of Quinag Acquisition (FDI) Ltd., our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

14. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.

15. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.

16. All Equity Shares issued or transferred pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

17. Except for the options granted pursuant to the ESOP, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

18. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

19. Our Promoter and Promoter Group shall not participate in the Offer, except by way of participation as Selling Shareholders, as applicable, in the Offer for Sale.

20. Except for issuance of Equity Shares on exercise of options vested pursuant to the ESOP and the Fresh Issue, if any, 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 this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

21. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

22. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoter, shall offer or make payment of any incentive, direct or

indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

23. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction

24. **Employee Stock Options Plans of our Company**

Prior ESOP Schemes

Our Company had two employee stock option schemes, ESOP 2014 and ESOP 2016 historically (collectively, "**Prior ESOP Schemes**"). Our Board, pursuant to resolution on August 27, 2021 noted that Board meeting held on March 12, 2019, approved and accelerated the vesting of unvested options under Prior ESOP Schemes and subsequently all the vested options under Prior ESOP Schemes were cancelled by way of cash settlement. As on date there are no pending/unvested/active options under Prior ESOP Schemes.

ESIP – Performance Based

Our Company, pursuant to the resolutions passed by our Board on May 5, 2019 and our Shareholders on May 7, 2019, adopted the 'Healthium Performance Based Key Employee Stock Incentive Plan 2019' ("**ESIP – Performance Based**"). The objectives of the ESIP – Performance Based include (i) to reward the eligible employees for their efforts and commitment in growing the business and valuation of the Company for the benefit of its employees, members and Affiliates; and (ii) to attract, retain, reward and motivate employees to contribute to the growth and profitability of the Company and Group. Our Company intends to reward its key employees by offering them equity participation, on the basis of their respective contribution towards the growth of the business and valuation of the Company. In terms of the ESIP – Performance Based, our Company could grant an aggregate number of up to 3,270,000 options. Further, pursuant to the split in the face value of the equity shares from ₹ 2 each to ₹ 1 each, as approved by the Board and the Shareholders in their meetings dated August 6, 2021 and August 7, 2021 respectively, the number of options (including those granted to option holders) stands doubled and the exercise price per option consequently stands halved. The maximum number of options that may be granted under the ESIP – Performance Based, accordingly, has been adjusted to 6,540,000 options. Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. Accordingly, the number of Equity Shares that may be issued under the ESIP – Performance Based shall not exceed 6,540,000 Equity Shares.

The Shareholders, pursuant to a resolution passed on August 27, 2021, have amended ESIP – Performance Based, in order to align the plan with the Companies Act, 2013 read with rules made thereunder and the SEBI SBEB Regulations issued thereunder, as well as a few other changes, intended to ensure better efficacy and administration. Accordingly, the ESIP – Performance Based is in compliance with the SEBI SBEB Regulations. The details of ESIP- Performance Based, as certified by Manian and Rao, Chartered Accountants, through a certificate dated September 5, 2021 are as follows:

Particulars	Details				
	Fiscal 2019	**Fiscal 2020**	**Fiscal 2021**	**From April 1,2021 till September 5, 2021**	**Cumulative as on September 5, 2021**
Options outstanding at the beginning of the period	NA	NA	4,071,740	4,495,540	4,495,540
Options granted	NA	4,071,740	524,860	560,720	5,157,320
Exercise price of options	NA	INR 258* (US$ 3.48)	INR 258* (US$ 3.48)	INR 345* (US$ 4.66)	NA
Vesting period	NA	Vesting of the Options under this Scheme is dependent upon the cumulative value realized by the Holding Company from the investment in a complete or partial exit event. Specifically, there is no time-based vesting for the options under this Scheme; instead, the vesting is based entirely on performance (as measured by returns to the Holding Company). In the event of a Partial Exit Event occurring upon or after a Listing, there shall be a one-time acceleration event allowing for the Vesting of			NA

Particulars	Details				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	From April 1,2021 till September 5, 2021	Cumulative as on September 5, 2021
		a percentage of the overall entitlement of the Option Holder in the manner as prescribed in the Scheme.			
Options vested /and not exercised	NA	Nil	Nil	Nil	Nil
Options exercised	NA	Nil	Nil	Nil	Nil
The total number of Equity Shares arising as a result of exercise of options	NA	Nil	Nil	Nil	Nil
Options forfeited/lapsed	NA	Nil	101,060	16,300	117,360
Variation of terms of options	NA	The Shareholders vide their resolution dated August 27, 2021 have amended the Healthium Performance Based Key Employee Stock Incentive Plan 2019 in terms aligning the plan with the Companies Act, 2013 read with rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time along with Circulars, Notifications and Guidelines issued thereunder apart from few other changes with a view to better efficacy and administration of the Plan. Following variations have been taken place in the Scheme: Clause 9.1: The following lines have been deleted "in no event may any vested options be exercised during the one-year period following a Listing and the exercise period set-forth in Clause 10 shall be extended by the duration of such one-year period (or shorter period determined by the Administrator), so that the vested Options may be exercised following the expiration of the period during the period set forth in Clause 10" Clause 9.4: Clause 9.4 has been added as follows: Notwithstanding anything contained in this Plan and Annexures and subject to Clause 9.5 below, in the event of a Partial Exit Event occurring upon or after a Listing, there shall be a one-time acceleration event allowing for the Vesting of a percentage of the overall entitlement of the Option Holder in the following manner: % of Options Vested = (i) 50%, times (ii) % stake in the Company sold by the Holding Entity upon Listing, times (iii) % of Vesting which would have occurred had a Complete Exit Event taken place at the valuation of the Company upon Listing, where both (i) and (ii) shall take into account any Partial Exit Events upon or prior to such Listing, and the weighted average valuation of such Partial Exit Events It is clarified that the above acceleration event is a one-time event which shall only be applicable to the first Partial Exit Event that takes place upon a Listing. Clause 9.5: Clause 9.5 has been added as follows: The Option Holder shall have the right, at his or her sole discretion, to opt out of such accelerated Vesting set out in Clause 9.4 above. Should the Option Holder choose not to participate in such an accelerated Vesting event, he/she will intimate the Company in writing within five			NA

<table>
<tr><th rowspan="2">Particulars</th><th colspan="5">Details</th></tr>
<tr><th>Fiscal 2019</th><th>Fiscal 2020</th><th>Fiscal 2021</th><th>From April 1,2021 till September 5, 2021</th><th>Cumulative as on September 5, 2021</th></tr>
<tr><td></td><td></td><td colspan="3">days from the occurrence of the Partial Exit Event triggering such accelerated Vesting.

Clause 10.2.H: in case of transfer or deputation to a Group Company or an Associate Company, All Vested Options may be exercised by an Option Holder at any time during the employment with the Group Company or the Associate Company, as the case may be, subject to Clause 13. The Options exercised by the Option Holder shall be treated in the manner as set out in Clause 13. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Vested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2. And in case of unvested options the Options would Vest as per the terms of this Plan and the Grant Letter which will be issued as per the terms hereof. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Unvested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2.

Clause 12: Post a Listing, the Administrator may also reprice the Options which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the Equity Shares in the stock market provided such repricing is not detrimental to the interests of the employees and the requisite procedures as per Clause 16 are followed.

Clause 15: New subclause 3 has been inserted stating “No Option granted under this Plan may be pledged, hypothecated, mortgaged or otherwise alienated in any other manner”</td><td></td></tr>
<tr><td>Money realized by exercise of options</td><td>NA</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>NA</td><td>4,071,740</td><td>4,495,540</td><td>5,039,960</td><td>5,039,960</td></tr>
<tr><td>Employee-wise detail of options granted to:</td><td>NA</td><td></td><td></td><td></td><td></td></tr>
<tr><td>i. Key managerial personnel</td><td>NA</td><td colspan="3"><table><tr><th>Sl</th><th>Name</th><th>No. of Options granted during the Fiscal*</th><th>Fiscal</th></tr><tr><td>1</td><td>Anish Bafna</td><td>2,282,000</td><td>2020</td></tr><tr><td>2</td><td>Mohammed Azeez</td><td>130,400</td><td>2020</td></tr><tr><td>3</td><td>Vishal Maheshwari</td><td>391,200</td><td>2020</td></tr><tr><td>4</td><td>Kankana Barua</td><td>97,800</td><td>2020</td></tr><tr><td>5</td><td>Pallavi Karkera</td><td>9,780</td><td>2021</td></tr></table>
* Considering the impact of Stock Split.</td><td>NA</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year under this Scheme</td><td>NA</td><td colspan="3"><table><tr><th>Sl No</th><th>Name</th><th>No. of Options*</th><th>% of options granted during the year under this Scheme</th><th>Fiscal</th></tr><tr><td>1</td><td>Vivek Singh</td><td>260,800</td><td>6.41%</td><td>2020</td></tr><tr><td>2</td><td>Eshan Huq</td><td>260,800</td><td>49.69%</td><td>2021</td></tr><tr><td>3</td><td>Anuj Shah</td><td>65,200</td><td>12.42%</td><td>2021</td></tr><tr><td>4</td><td>Ajay Vashista</td><td>32,600</td><td>6.21%</td><td>2021</td></tr><tr><td>5</td><td>Madhurya Phookan</td><td>32,600</td><td>6.21%</td><td>2021</td></tr></table>*Considering the impact of Stock Split.</td><td>NA</td></tr>
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<table>
<tr><th rowspan="2">Particulars</th><th colspan="5">Details</th></tr>
<tr><th>Fiscal 2019</th><th>Fiscal 2020</th><th>Fiscal 2021</th><th>From April 1,2021 till September 5, 2021</th><th>Cumulative as on September 5, 2021</th></tr>
<tr><td>iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>NA</td><td>During the Fiscal 2020, Mr. Anish Bafna, CEO and Managing Director of the Company received 2,282,000 options under this Scheme which is 2.47% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant and 490,000 options under ESIP Time Based which is 0.53% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. Both grants under ESIP Time Based and ESIP Performance Based comes up to 3% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

(Considering the impact of Stock Split.)</td><td>Nil</td><td>Nil</td><td>NA</td></tr>
<tr><td>Fully diluted Earnings per EPS of our Company pursuant to issue of Equity Shares on exercise of options calculated in accordance with applicable accounting standard for ‘Earnings per Share’</td><td>NA</td><td colspan="2"><table>
<tr><th>Fiscal ended</th><th>Fully Diluted Earnings per share as per Restated Financial Statements</th></tr>
<tr><td>March 31, 2020</td><td>7.95</td></tr>
<tr><td>March 31, 2021</td><td>18.47</td></tr>
</table></td><td>NA</td><td>NA</td></tr>
<tr><td>Lock-in</td><td>NA</td><td colspan="3">The Equity Shares allotted to the Option Holders or his/her Nominee pursuant to the Exercise of the Vested Options shall be subject to any lock-in requirements determined by the relevant Stock Exchange (including under its rules and regulations) and/or the Administrator post Listing of the Company.</td><td></td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the EPS of our Company</td><td colspan="5">For Stock Options outstanding as on March 31, 2020 and March 31, 2021, there is no difference in employee cost and earning per share as the share-based employee compensation is calculated as per fair value method in accordance with Restated Financial Statements.</td></tr>
<tr><td>Description of the pricing formula method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>NA</td><td colspan="2">The following table list the inputs to the model used for the PMIP plan:<table>
<tr><th></th><th>Year ended March 31, 2020</th><th>Year ended March 31, 2021</th></tr>
<tr><td>Dividend Yield (%)</td><td>3.00%</td><td>1.46%</td></tr>
<tr><td>Expected volatility (%)</td><td>25.39%</td><td>28.98% to 29.68%</td></tr>
<tr><td>Risk-free interest rate (%)</td><td>7.28%</td><td>5.13% to 5.40%</td></tr>
<tr><td>Expected life of share options (years)</td><td>5.90</td><td>3.94 to 5.42</td></tr>
<tr><td>Weighted average share price (INR)</td><td>482</td><td>511</td></tr>
<tr><td>Weighted average fair value of stock options (INR)</td><td>68.28</td><td>51.77 to 54.89</td></tr>
</table></td><td>NA</td><td>NA</td></tr>
</table>

Particulars	Details				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	From April 1,2021 till September 5, 2021	Cumulative as on September 5, 2021
Impact on the profits and on EPS of our Company of the last three years if the accounting policies prescribed in the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed in respect of options granted in the last three years	The Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.				
Intention of the Key Managerial Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	Nil				
Intention to sell Equity Shares arising out of the ESIP within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil				

Note: The number of options and the exercise price after giving effect of the stock split has been considered in the above disclosure.

**The exercise price is converted from US$ to INR using exchange rate of Rs. 74.14 as on August 24, 2021 (source: www.fbil.org.in)*

ESIP- Time Based

Our Company, pursuant to the resolutions passed by our Board on May 5, 2019 and our Shareholders on May 7, 2019, adopted the 'Healthium Time Based Key Employee Stock Incentive Plan 2019' ("**ESIP – Time Based**"). The objectives of the ESIP – Time Based include (i) to reward the eligible employees for their efforts and commitment in growing the business and valuation of the Company for the benefit of its employees, members and Affiliates; and (ii) to attract, retain, reward and motivate employees to contribute to the growth and profitability of the Company. Our Company through this plan intends to reward its key employees by offering them equity participation, on the basis of years of association that such employees have with the Group and contribution that they make towards growth of the business and valuation of the Company. In terms of the ESIP – Time Based, our Company could grant an aggregate number of up to 700,000 options. Further, pursuant to the split in the face value of our equity shares from ₹ 2 each to ₹ 1 each, as approved by our Board and our Shareholders in their meetings dated August 6, 2021 and August 7, 2021 respectively, the number of options (including those granted to option holders) stands doubled and the exercise price per option consequently stands halved. The maximum number of options that may be granted under the ESIP – Performance Based, accordingly, has been adjusted to 1,400,000 options. Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. Accordingly, the number of Equity Shares that may be issued under the ESIP – Time Based shall not exceed 1,400,000 Equity Shares.

Our Shareholders, pursuant to a resolution passed on August 27, 2021, have amended ESIP – Time Based, in order to align the plan with the Companies Act, 2013 read with rules made thereunder and the SEBI SBEB Regulations issued thereunder, as well as a few other changes, intended to ensure better efficacy and administration. Accordingly, the ESIP – Time Based is in compliance with the SEBI SBEB Regulations.

The details of ESIP- Time Based, as certified by Manian and Rao, Chartered Accountants, through a certificate dated September 5, 2021 are as follows:

Particulars	Details				
	Fiscal 2019	**Fiscal 2020**	**Fiscal 2021**	**From April 1,2021 till September 5, 2021**	**Cumulative as on September 5, 2021**
Options outstanding at the beginning of the period	NA	NA	874,300	965,300	965,300
Options granted	NA	874,300	112,700	153,300	1,140,300
Exercise price of options	NA	INR 258* (US$ 3.48)	INR 258* (US$ 3.48)	INR 345* (US$ 4.66)	NA
Vesting period	NA	The Options granted under this Scheme shall vest over a period of up to 5 years from the date of grant.			
Options vested and not exercised	NA	Nil	170,240	170,240	340,480
Options exercised	NA	Nil	Nil	Nil	Nil
The total number of Equity Shares arising as a result of exercise of options	NA	Nil	Nil	Nil	Nil
Options forfeited/lapsed	NA	Nil	21,700	3,500	25,200
Variation of terms of options	NA	The Shareholders vide their resolution dated August 27, 2021 have amended the Healthium Time Based Key Employee Stock Incentive Plan 2019 has been updated in terms aligning the plan with the Companies Act, 2013 read with rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time along with Circulars, Notifications and Guidelines issued thereunder apart from few other changes with a view to better efficacy and administration of the Plan. Following variations have been taken place in the Scheme: Clause 9.1: The following lines have been deleted "in no event may any vested options be exercised during the one-year period following a Listing and the exercise period set-forth in Clause 10 shall be extended by the duration of such one-year period (or shorter period determined by the Administrator), so that the vested Options may be exercised following the expiration of the period during the period set forth in Clause 10" Clause 10.2.E: Upon Termination of the employee due to Permanent Disability which occurred while in employment with the Company/ Group, all unvested options will vest as on the date of permanent disability. Clause 10.2.F: In the event of death while in employment with the Company/Group, all unvested options will vest as on the date of death of the Option Holder. Clause 10.2.H: in case of transfer or deputation to a Group Company or an Associate Company, All Vested Options may be exercised by an Option Holder at any time during the employment with the Group Company or the Associate Company, as the case may be, subject to Clause 13. The Options exercised by the Option Holder shall be treated in the manner as set out in Clause 13. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Vested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2. And in case of unvested options the Options would Vest as per the terms of this Plan and the Grant Letter which will be issued as per the terms hereof. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then			NA

<table>
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<tr><td></td><td></td><td colspan="3">the Unvested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2.

Clause 12: Post a Listing, the Administrator may also reprice the Options which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the Equity Shares in the stock market provided such repricing is not detrimental to the interests of the employees and the requisite procedures as per Clause 16 are followed.

Clause 15: New subclause 3 has been inserted stating “No Option granted under this Plan may be pledged, hypothecated, mortgaged or otherwise alienated in any other manner”</td><td></td></tr>
<tr><td>Money realized by exercise of options</td><td>NA</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>NA</td><td>874,300</td><td>965,300</td><td>1,115,100</td><td>1,115,100</td></tr>
<tr><td>Employee-wise detail of options granted to:</td><td>NA</td><td></td><td></td><td></td><td></td></tr>
<tr><td>/i. Key managerial personnel</td><td>NA</td><td colspan="3"><table><tr><th>Sl</th><th>Name</th><th>No. of Options granted during the Fiscal*</th><th>Fiscal</th></tr><tr><td>1</td><td>Anish Bafna</td><td>490,000</td><td>2020</td></tr><tr><td>2</td><td>Mohammed Azeez</td><td>28,000</td><td>2020</td></tr><tr><td>3</td><td>Vishal Maheshwari</td><td>84,000</td><td>2020</td></tr><tr><td>4</td><td>Kankana Barua</td><td>21,000</td><td>2020</td></tr><tr><td>5</td><td>Pallavi Karkera</td><td>2,100</td><td>2021</td></tr></table>*Considering the impact of Stock Split.</td><td></td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year under this Scheme</td><td>NA</td><td colspan="3"><table><tr><th>Sl No</th><th>Name</th><th>No. of Options*</th><th>% of options granted during the year under this Scheme</th><th>Fiscal</th></tr><tr><td>1</td><td>Vivek Singh</td><td>56,000</td><td>6.41%</td><td>2020</td></tr><tr><td>2</td><td>Eshan Huq</td><td>56,000</td><td>49.69%</td><td>2021</td></tr><tr><td>3</td><td>Anuj Shah</td><td>14,000</td><td>12.42%</td><td>2021</td></tr><tr><td>4</td><td>Ajay Vashista</td><td>7,000</td><td>6.21%</td><td>2021</td></tr><tr><td>5</td><td>Madhurya Phookan</td><td>7,000</td><td>6.21%</td><td>2021</td></tr><tr><td>6</td><td>Anoop</td><td>32,900</td><td>21.46%</td><td>2022</td></tr></table>*Considering the impact of Stock Split.</td><td>NA</td></tr>
<tr><td>iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>NA</td><td>During the Fiscal 2020, Mr. Anish Bafna, CEO and Managing Director of the Company received 490,000 options under this Scheme which is 0.53% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant and 2,282,000 options under ESIP Performance Based which is 2.47% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. Both grants under ESIP Time Based and ESIP Performance Based comes up to 3% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.</td><td>Nil</td><td>Nil</td><td>NA</td></tr>
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<tr><th>Particulars</th><th colspan="5">Details</th></tr>
<tr><th></th><th>Fiscal 2019</th><th>Fiscal 2020</th><th>Fiscal 2021</th><th>From April 1,2021 till September 5, 2021</th><th>Cumulative as on September 5, 2021</th></tr>
<tr><td></td><td></td><td>(Considering the impact of Stock Split)</td><td></td><td></td><td></td></tr>
<tr><td>Fully diluted Earnings per EPS of our Company pursuant to issue of Equity Shares on exercise of options calculated in accordance with applicable accounting standard for 'Earnings per Share'</td><td>NA</td><td colspan="2"><table><tr><th>Fiscal ended</th><th>Fully Diluted Earnings per share as per Restated Financial Statements</th></tr><tr><td>March 31, 2020</td><td>7.95</td></tr><tr><td>March 31, 2021</td><td>18.47</td></tr></table></td><td>NA</td><td>NA</td></tr>
<tr><td>Lock-in</td><td>NA</td><td colspan="3">The Equity Shares allotted to the Option Holders or his/her Nominee pursuant to the Exercise of the Vested Options shall be subject to any lock-in requirements determined by the relevant Stock Exchange (including under its rules and regulations) and/or the Administrator post Listing of the Company.</td><td></td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the EPS of our Company</td><td colspan="5">For Stock Options outstanding as on March 31, 2021, there is no difference in employee cost and earning per share as the share-based employee compensation is calculated as per fair value method in accordance with Restated Financial Statements.</td></tr>
<tr><td>Description of the pricing formula method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>NA</td><td colspan="2">The Company used Black Scholes model of valuation.

The following table list the inputs to the model used for TMIP Plan:
<table><tr><th></th><th>Year ended March 31, 2020</th><th>Year ended March 31, 2021</th></tr><tr><td>Dividend Yield (%)</td><td>3.00%</td><td>1.46%</td></tr><tr><td>Expected volatility (%)</td><td>25.17% to 25.64%</td><td>28.98% to 29.68%</td></tr><tr><td>Risk-free interest rate (%)</td><td>6.99% to 7.24%</td><td>5.13% to 5.40%</td></tr><tr><td>Expected life of share options (years)</td><td>3.45 to 5.46</td><td>3.94 to 5.42</td></tr><tr><td>Weighted average share price (INR)</td><td>482</td><td>511</td></tr><tr><td>Model used</td><td>Black Scholes</td><td>Black Scholes</td></tr><tr><td>Weighted average fair value of stock options (INR)</td><td>121.29</td><td>108.61 to 115.95</td></tr></table></td><td>NA</td><td>NA</td></tr>
<tr><td>Impact on the profits and on EPS of our Company of the last three years if the accounting policies prescribed in the SEBI (Share Based Employee Benefits and Sweat Equity Regulations, 2021 had been followed in respect of options granted in the last three years</td><td colspan="5">The Company has complied with the accounting standard issued by the Institute of Chartered Accountants of India which is in line with the SEBI (Share Based Employee Benefits and Sweat Equity Regulations, 2021.</td></tr>
<tr><td>Intention of the Key Managerial Personnel and whole-time Directors who are holders of Equity Shares allotted on exercise of options granted to sell their</td><td colspan="5">Nil</td></tr>
</table>

Particulars	Details				
	Fiscal 2019	**Fiscal 2020**	**Fiscal 2021**	**From April 1,2021 till September 5, 2021**	**Cumulative as on September 5, 2021**
equity shares within three months after the date of listing of Equity Shares pursuant to the Offer					
Intention to sell Equity Shares arising out of the ESIP within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil				

Note: The number of options and the exercise price after giving effect of the stock split has been considered in the above disclosure.

**The exercise price is converted from US$ to INR using exchange rate of Rs. 74.14 as on August 24, 2021 (source: www.fbil.org.in)*

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see "*The Offer*" beginning on page 57.

The Fresh Issue

Requirement of funds

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

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

II. Investment into our Subsidiaries, Sironix Medical Technologies B.V. ("**Sironix**"), Clinisupplies Limited ("**Clinisupplies**") and Quality Needles Private Limited ("**Quality Needles**");

III. Acquisitions and other strategic initiatives; and

IV. General corporate purposes

(collectively, referred to herein as the "**Objects**").

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including to enhance our visibility and our brand image among our existing and potential customers, and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

Net Proceeds

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

Particulars	Estimated amount (₹ in million)
Gross Proceeds of the Fresh Issue[1]	[●]
(Less) Offer related expenses in relation to the Fresh Issue[1]	[●]
Net Proceeds[1]	[●]

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

Requirement of Funds and proposed utilisation of Net Proceeds

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

Sr. No.	Particulars	Amount (₹ in million)
1.	Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	500.90
2.	Investment into our Subsidiaries, Sironix, Clinisupplies and Quality Needles	1,794.56
3.	Acquisitions and other strategic initiatives[1]	580.00
4.	General corporate purposes [2]	[●]
	Total	[●]

[1] *The amount utilised for acquisition and other strategic initiatives shall not exceed 15% of the Net Proceeds.*

[2] *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds			
		Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	500.90	500.90	-	-	-
Investment into our Subsidiaries, Sironix, Clinisupplies and Quality Needles	1,794.56	1526.64	133.96	133.96	-
Acquisitions and other strategic initiatives(1)	580.00	-	580.00	-	-
General corporate purposes (2)	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

(1) *The amount utilised for acquisition and other strategic initiatives shall not exceed 15% of the Net Proceeds.*

(2) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. See, "*Risk Factors - Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.*" on page 48. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment, market condition, and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing Objects of the Fresh Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

Means of finance

The fund requirements for all Objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

Details of the Objects

I. Repayment/pre-payment of certain of our borrowings

Our Company has entered into certain financing arrangements from time to time, with various lenders. For further details, see "*Financial Indebtedness*" on page 318. As of August 23, 2021, our total outstanding borrowings, including accrued interest, is ₹ 500.90 million. Our Company proposes to utilize an estimated amount of ₹ 500.90 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment or avail of additional credit facilities. If at the time of Allotment, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down, then our Company may utilise the Net Proceeds for part or full prepayment / repayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, shall not exceed ₹ 500.90 million. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and debt servicing costs, and improve our debt-to-equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

For the list of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds, please refer to the table below and for details of the outstanding borrowings of our Company as of August 23, 2021, please see "*Financial Indebtedness*" on page 318.

S. No.	Name of the lender	Nature of borrowing	Amount borrowed (In ₹ million)*	Outstanding amount as at August 23, 2021, including accrued interest (in ₹ million) #*	Repayment Date/ Schedule*	Interest rate (p.a.)*	Purpose of raising the loan*	Pre-payment clause*
1.	Standard Chartered Investments and Loans (India) Limited	Term Loan	374.80	375.70	The facility is repayable in four equal semi-annual instalments starting at the end of six months from the date of first disbursement.	As on date of this Draft Red Herring Prospectus the interest rate is 6.75% p.a. Interest rate may be specified from time to time and is reset every six months from the date of the first of the drawdown or any other date as communicated by the lender to our Company.	For funding the acquisition of gelatine sponges manufacturing unit under the brand name "AbGel" owned by SGK Private Limited and reimbursement of amounts already paid by our Company for the said acquisition and for other fee and expenses related to such transaction.	The Company is entitled to prepay the facility with at least seven business days prior written notice to the lender subject to the following conditions: (i) Any prepayment shall be made in integral multiples of ₹ 50.00 million; (ii) Any prepayment shall be made with accrued interest on the amount prepaid; (iii) Any prepayment shall be subject to breakage costs if not made on an interest reset date; and (iv) Any prepayment shall be applied against repayment amounts in inverse chorological order.
2.	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	125.20	125.20	Door to door tenure of 12 months with a bullet repayment.	As on date of this Draft Red Herring Prospectus, the interest rate is 7.10% p.a. Interest is charged at mutually agreed rates with reference to the then prevalent MCLR/3M T-	For funding the acquisition of asset from SGK Private Limited, including reimbursement.	Any cancellation or pre-payment apart from interest reset by our Company is subject to funding penalties at the discretion of the lender.

S. No.	Name of the lender	Nature of borrowing	Amount borrowed (In ₹ million)*	Outstanding amount as at August 23, 2021, including accrued interest (in ₹ million) #*	Repayment Date/ Schedule*	Interest rate (p.a.)*	Purpose of raising the loan*	Pre-payment clause*
						bill/any other external benchmark as decided mutually and in line with the RBI guidelines.		
	Total		**500.00**	**500.90**				

 # This includes interest outstanding of ₹ 0.90 million payable as on August 23, 2021.

** As certified by Manian and Rao, Chartered Accountants, pursuant to their certificate dated September 5, 2021.*

Our Company may consider the following factors for identifying the loans and the quantum of loans that will be repaid out of the Net Proceeds:

1. Costs, expenses and charges relating to the facility including interest rates involved;
2. Presence of onerous terms and conditions under the facility;
3. Terms and conditions of consents and waivers;
4. Levy of any prepayment penalties and the quantum thereof;
5. Terms of pre-payment to other lenders, if any; and
6. Other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Some of our financing facilities provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of the Net Proceeds.

For further details in relation to the terms and conditions under our loan agreements as well as restrictive covenants in relation thereto, see "*Financial Indebtedness*" on page 318.

II. Investment into our Subsidiaries Sironix, Clinisupplies and Quality Needles

(A) Investment in Sironix

Form of Investment

Our Company proposes to invest ₹ 690.42 million from the Net Proceeds in Sironix by way of equity infusion.

Details and utilisation

Sironix availed a loan facility from our Promoter under a loan agreement dated June 22, 2018 for a total commitment of USD 15.00 million ("**Sironix Loan**"). As on August 23, 2021, the outstanding amount under the Sironix Loan was USD 9.28 million, or ₹ 690.42 million*. The applicable interest rate under the Sironix Loan is Libor + 5.50%.

** For the foreign exchange conversion from USD to INR, FEDAI rate, as of July 30, 2021, has been considered.*

The Sironix Loan was availed by Sironix to repay the loan availed by Sironix from Hongkong and Shanghai Banking Corporation Limited (the "**HSBC Loan**"), which was used for the purpose of acquisition of shares of Clinisupplies and Clinidirect (UK). As on the date of this Draft Red Herring Prospectus, the HSBC Loan has been completely repaid.

Our Company proposes to invest ₹ 690.42 million from the Net Proceeds into Sironix and Sironix will utilise this amount to repay the Sironix Loan to our Promoter which will in turn, repay certain external lenders who had extended this facility. Further, our Promoter, pursuant to a board resolution dated August 31, 2021, has also resolved that it shall utilise the amount so received solely for the purpose of repaying such third party borrowings and for no other purpose. Accordingly, no part of the sum received by our Promoter will be retained by it or paid to its shareholders or any other related party.

Nature of Benefit

Such repayment will help reduce our liabilities and guarantee obligations on a consolidated level and enable utilization of our internal accruals for further investment in the growth and expansion of its business in future.

(B) Investment in Clinisupplies

Form of Investment

Our Company proposes to invest ₹ 836.23 million from the Net Proceeds in Sironix by way of equity infusion, and Sironix will invest this amount further into Clinisupplies by way of equity infusion.

Details and utilisation

Pursuant to a share purchase agreement dated July 1, 2021, Clinisupplies acquired Vitalcare Trading (UK) Limited for an aggregate consideration of up to GBP 9.25 million (consisting of GBP 8 million payable upfront and GBP 1.25 million to be paid after completion of audit for the financial year ending March 31, 2022 on achievement of revenue targets outlined in the share purchase agreement dated July 1, 2021), equivalent to approximately ₹ 952.82* million, plus / minus certain other items including cash in hand and cash equivalents, as included in the share purchase agreement dated July 1, 2021. In order to fund this acquisition, Clinisupplies obtained a loan from our Promoter under a loan agreement dated June 29, 2021 ("**Clinisupplies Loan**") for a total commitment of USD 29.00 million. As on August 23, 2021, the outstanding amount under the Clinisupplies Loan was GBP 8.04 million, or ₹ 836.23 million**. The applicable interest rate under the Clinisupplies Loan is 6.50%

** For the foreign exchange conversion from GBP to INR, FEDAI rate, as of June 30, 2021, has been considered.*
*** For the foreign exchange conversion from GBP to INR, FEDAI rate, as of July 30, 2021, has been considered.*

Our Company proposes to invest ₹ 836.23 million from the Net Proceeds into Sironix and Sironix will invest this amount further into Clinisupplies. Clinisupplies will use this amount to repay the Clinisupplies Loan to our Promoter which will in turn, repay certain external lenders who had extended this facility. Further, our Promoter, pursuant to a board resolution dated August 31, 2021, has also resolved that it shall utilise the amount so received solely for the purpose of repaying such third party borrowings and for no other purpose. Accordingly, no part of the sum received by our Promoter will be retained by it or paid to its shareholders or any other related party.

Nature of Benefit

Such repayment will help reduce our liabilities and guarantee obligations on a consolidated level and enable utilization of our internal accruals for further investment in the growth and expansion of its business in future.

(C) Investment in Quality Needles

Form of Investment

Our Company proposes to invest ₹ 267.92 million from the Net Proceeds in Quality Needles by way of equity infusion.

Utilisation and nature of benefit

Our Company proposes to invest ₹ 267.92 million from the Net Proceeds in our Subsidiary, Quality Needles to fund the purchase of capital equipment in order to meet the technological requirements of Quality Needles. We aim to continue investing in existing manufacturing technologies to build new capabilities to support the production of our portfolio of products.

As part of such investment, Quality Needles will require various equipment such as:

Sr. No.	Name and model	Description
1.	Micro-surgical needle drilling laser, Model: NA 502N; and Micro-surgical needle rounding laser, Model: SLS 200CL 16	These are designed and manufactured for laser drilling and edge rounding of precision and micro holes in micro surgical needles.
2.	Needle handling system for laser drilling system	This is designed as a fully automatic equipment for collection and transfer of needle blanks from the loading station to various work stations, for laser drilling of holes in the needle blanks.
3.	Wire straightening and cutting machine, Type UD 0	This is designed and manufactured for straightening and cutting of stainless-steel wire into required size, for further manufacturing of suture needles.

Quality Needles has received quotations from certain suppliers for such equipment and is yet to place any orders or enter into definitive agreements for purchase of such equipment.

The break-down of such estimated costs along with certain details of the quotations received, are set forth below:

Sr. No	Particulars	No. of units	Total Estimated Cost (in ₹ million)*#	Amount to be funded from the Net Proceeds (in ₹ million)	Quotations received from	Dates of Quotations
1.	Micro-surgical needle drilling laser, Model: NA502N; and Micro-surgical needle rounding laser, Model: SLS200CL16	One each	113.59	113.59	Coherent Laser India Private Limited	August 11, 2021
2.	Needle handling system for laser drilling system	Two	122.42	122.42	Jouhsen-bundgens Maschinenbau GmbH, Germany	August 19, 2021
3.	Wire straightening and cutting machine, Type UD 0	Two	32.71^	31.91	Jouhsen-bundgens Maschinenbau GmbH, Germany	August 20, 2021 and September 2, 2021
	Total		268.72	267.92		

* *Except for the amounts quoted by foreign vendors, all amounts are inclusive of taxes. Taxes, if any, on equipment proposed to be purchased from foreign vendors will be paid from our internal accruals.*

\# *The quotations for certain equipment are in Euro and in USD. Conversion rates as of July 30, 2021: EUR 1.00 = INR 88.52 USD 1.00 = INR 74.42. (Source: https://fbil.org.in/)*

^ *Our Company proposes to fund the difference between the total estimated cost and amount to be funded from net proceeds, i.e. ₹ 0.80 million from internal accruals.*

The quotations mentioned above do not include cost of freight, insurance, octroi, entry tax, customs duty, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of capital equipment or through internal accruals, if required.

All quotations received from the vendors mentioned above are valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged by Quality Needles to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on the present estimates of the management of Quality Needles. Quality Needles shall have the flexibility to deploy such equipment at its manufacturing facilities, according to the business requirements of such facilities and based on the estimates of its management. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For details on risks involved, see "*Risk Factors - Our Subsidiary, Quality Needles, has not yet placed orders for purchasing capital equipment. If there is any delay in placing the orders, or if the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, prospects, and results of operations may be adversely affected*" on page 48.

III. Acquisitions and other strategic initiatives

One of our core strategies is to continue to grow our business through acquisitions to consolidate the markets in which we operate. In line with our past practice, we aim to continue to leverage our global platform and add new products and specialties, acquire new technologies and expand our geographic presence through acquisitions to realize cost and revenue synergies. We maintain a dialogue with various potential market participants and intermediaries, to identify and evaluate businesses that would be a good and strategic fit with our business.

In the past, we have acquired businesses and products to expand our product portfolio and vertically integrated our Company's supply chain. We believe we have benefited from the acquisitions undertaken by us in the past. For instance:

- In Fiscal 2016, we acquired Clinisupplies to expand and diversify our geographic reach as well as expand our product portfolio by gaining a presence in the urology market. In Fiscal 2021, Clinisupplies was one of the largest independent medical device companies in the urology collection devices market in the UK and its market share increased in the UK collection devices market from 10.62% to 13.96% between Fiscals 2019 and 2021. (*Source: Frost & Sullivan Report*)
- In Fiscal 2017, we acquired Quality Needles to drive vertical integration for our advanced surgery portfolio, and grow our market share in the surgical needles segment globally. Following the acquisition, we increased the manufacturing capacity and strengthened the management team of Quality Needles, which has enabled us, among other things, to become the largest non-captive surgical needle manufacturer globally in Fiscal 2021. (*Source: Frost & Sullivan*

Report) We have increased our market share in the needles business globally to 22.30% in Fiscal 2021 as compared to 16.90% in Fiscal 2019. (*Source: Frost & Sullivan Report*).

These acquisitions helped us realize synergies through cost optimization, vertical integration, expansion of geographies and expansion of product portfolio and product enhancements. For further details of these acquisitions, see "*History and Certain Corporate Matters*" on page 173.

In Fiscal 2022, we completed the acquisition of Abgel, Vital Care and CareNow. Within haemostats, Abgel is a leading gelatin sponge brand in India as on March 31, 2021, according to Frost & Sullivan, and is a valuable addition to our advanced surgery portfolio which we expect to grow by leveraging our sales network. Vital Care is a private label manufacturer of urology and bowel products catering to multiple developed markets across US, Europe, Australia and Asia. It has a US FDA registered manufacturing facility near Nanjing, China. The addition of Vital Care is expected to (i) expand margins by providing end-to-end control over our supply chain, (ii) expand geographical footprint for our urology portfolio, particularly in the US and EU, and (iii) boost our research and development capabilities in urology. The acquisition of CareNow has helped expand our wound care portfolio with its patented products. For further details on CareNow, please see "*Our Business - CareNow*" on page 165. For further details on our acquisitions, see "*Our Business – Strengths - We have a proven track record of driving inorganic growth and successfully integrating acquired businesses"* on page 144.

Pursuant to our Board's discussion in the Board meeting dated September 1, 2021, we intend to utilise up to ₹ 580.00 million from the Net Proceeds towards potential acquisitions and strategic initiatives. As on the date of this Draft Red Herring Prospectus however, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives.

The amount of Net Proceeds identified for acquisitions is based on our management's estimates and may not be the total value or cost of any such acquisitions, but is expected to provide us with sufficient financial leverage to pursue such acquisitions. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity, debt or any other instrument or combination thereof. At this stage, our Company cannot determine whether the form of investment will be equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards this Object may not be the total value or cost of any such acquisitions but is expected to provide us with sufficient financial leverage to enter into binding agreements. For details on risks involved, see "*Risk Factors - We propose to utilize the Net Proceeds to undertake acquisitions for which targets have not been identified. Our inability to complete such transactions may adversely affect our competitiveness and growth prospects*" on page 49.

In the event that there is a shortfall of funds required for such acquisitions and / or strategic initiatives, such shortfall shall be met out of the amounts allocated for general corporate purposes and/or through, equity finance, debt, internal accruals or a combination thereof. In case the shortfall cannot be met through internal accruals or out of the amounts allocated for general corporate purposes, then we shall borrow from the domestic/international market, or through equity finance, or, if required, our Promoter may, at its sole discretion provide such credit enhancement to the lenders as may be mutually agreed with the lenders. In the event that there is a surplus, such amounts shall be used for future growth opportunities including funding other existing Objects of the Fresh Issue, if required, and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

IV. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include funding inorganic and organic growth opportunities and meeting other exigencies, brand building, meeting expenses incurred in the ordinary course of business by our Company and strengthening of our manufacturing capabilities, as may be applicable. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act.

The quantum of utilisation 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. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals

Offer Expenses

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

The Offer related expenses primarily include fees payable to the Book Running Lead Managers and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees; (b) audit fees of statutory auditors (to the extent not attributable to the Offer); and (c) expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be solely borne by the Company; all other costs and expenses directly attributable to the Offer shall be borne by the Selling Shareholders in proportion to the number of Equity Shares sold by each of them in the Offer. The cost and expenses to be borne by the Selling Shareholders and the Company and the mechanism for the same shall be as agreed in the Offer Agreement.

The estimated Offer related expenses are as under:

Activity	Estimated expenses(1) (in ₹ million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers' fees	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

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

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

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

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

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

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

*Portion for Retail Individual Bidders**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

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

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

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

**For each valid application*

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

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

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

Appraising entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank or financial institution or other independent agency.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board.

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

Bridge financing facilities

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

Monitoring of utilisation of funds

Our Company has appointed [●] as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, in accordance with the Companies Act, 2013, read with relevant rules.

The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoter or controlling Shareholder will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the (a) proceeds received pursuant to the Offer for Sale and (b) part of the proceeds of the Fresh Issue, with respect to Investment in Sironix and Investment in Clinisupplies, each as disclosed above, by our Promoter, none of our Promoter, Directors, KMPs, Promoter Group or Group Companies will receive any portion of the Net Proceeds and there are no existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoter, Directors, Key Managerial Personnel, Promoter Group or Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price 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 141, 24, 291 and 207, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. We are a leading medtech company with global reach, and are well-positioned to benefit from favorable industry dynamics in high growth markets;

2. We have an innovative and comprehensive product suite driven by our focused research and development efforts, and have a proven track record of commercializing our products;

3. We have an extensive sales network and market access across our focus areas with long-standing relationships with our customers;

4. We have high precision, integrated and scaled manufacturing facilities with global certifications;

5. We have a proven track record of driving inorganic growth and successfully integrating acquired businesses;

6. We have a proven track record of robust financial performance; and

7. We have an experienced and diverse senior management team supported by Quinag, our majority shareholder, ultimately owned by funds advised by Apax.

For details, see "*Our Business – Strengths*" on page 141.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "*Financial Statements*" on page 207.

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"):

Financial Year ended	Basic EPS[2,4] (in ₹)	Diluted EPS[2,4] (in ₹)	Weight
March 31, 2019	1.49	1.49	1
March 31, 2020	3.98	3.98	2
March 31, 2021	9.23	9.23	3
Weighted average[1]	**6.19**	**6.19**	**-**

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

(2) Basic EPS amounts are calculated by dividing the restated profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

(3) Diluted EPS amounts are calculated by dividing the restated profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

(4) *Includes the impact of stock split after the end of the year but before the date of filing of DRHP.*

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

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS for year ended March 31, 2021	[●]	[●]
Based on diluted EPS for year ended March 31, 2021	[●]	[●]

Industry Peer Group P/E ratio

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

C. Return on Net Worth ("RoNW")

Derived from the Restated Financial Information:

Financial Year ended	RoNW[1] (%)	Weight
March 31, 2019	1.43%	1
March 31, 2020	4.00%	2
March 31, 2021	8.70%	3
Weighted Average[2]	**5.92%**	

Notes:

(1) Calculated as restated profit for the year divided by net worth (aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation)

(2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights

D. Net Asset Value ("NAV") per Equity Share

Financial Year ended/ Period ended	NAV (in ₹)
As on March 31, 2021[1]	105.84
After the completion of the Offer:	
(a) At Floor Price	[•]
(b) At Cap Price	[•]
Offer Price	[•]

Notes:

(1) Calculated as net worth ((aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation) divided by number of Equity Shares outstanding as at the year end including vested stock Options adjusted for the impact of stock split after the end of the year but before the date of filing of the DRHP.

E. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

F. The Offer Price is [●] times of the face value of the Equity Shares

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

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 24, 141, 291 and 207, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 24 and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

[*The remainder of this page has been intentionally left blank*]

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AND THE COMPANY'S MATERIAL INDIAN SUBSIDIARY QUALITY NEEDLES PRIVATE LIMITED UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
472/D, 4th Phase, 13th Cross
Peenya Industrial Area
Bangalore - 560058
Karnataka, India

Dear Sirs,

Statement of Special tax benefits available to Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ('the Company') and its shareholders, and the Company's material Indian subsidiary Quality Needles Private Limited ('QNPL') under the Indian tax laws ('the Statement').

1. We hereby confirm that the enclosed Annexures 1 and 2 (together '**the Annexures'**), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company and the Company's material Indian subsidiary, QNPL under the direct and indirect tax laws, including the Income-tax Act, 1961 ('**the Act'**) as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 (as covered in Annexure 1), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 ("**GST Act**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") as amended by the Finance Act 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (as covered in Annexure 2) (together, the '**Tax Laws**'). Several of these benefits are dependent on the Company or its shareholders and/ or QNPL fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders and/ or QNPL to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company/ QNPL faces in the future, the Company/ QNPL or the shareholders of the Company may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures are not exhaustive, and the preparation of the contents stated in the Annexures is the responsibility of the Company's/QNPL's management. We are informed that these Annexures are 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 offer of equity shares of face value of Re. 1 each of the Company (the "**Offer**").

3. We do not express any opinion or provide any assurance as to whether:
   i) the Company or its shareholders and/or QNPL will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statements are based on information, explanations and representations obtained from the Company/ QNPL and on the basis of their understanding of the business activities and operations of the Company/ QNPL.

5. This Statement is issued solely in connection with the proposed Offer of the Company and is not to be used, referred to or distributed for any other purpose.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAAEJ1290
Place: Bengaluru
Date: September 03, 2021

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND THE COMPANY'S MATERIAL INDIAN SUBSIDIARY, QNPL

Direct Taxation

Outlined below are the special tax benefits available to the Company, its shareholders and to QNPL under the Income Tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2021 i.e. applicable to Financial Year 2021-22 relevant to Assessment Year 2022-2023, presently in force in India.

1. Special tax benefits available to the Company

A. Lower Corporate Tax Rate under section 115BAA

A new section 115BAA was inserted by the Taxation Laws (Amendment) Act, 2019 ('The Amendment Act, 2019) with effect from 1 April 2020 (Assessment Year 2020-21) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), subject to the condition that going forward it does not claim specified deductions/ exemptions as specified in section 115BAA(2) of the Act and computes total income as per the provisions of section 115BAA(2) of the Act. Proviso to section 115BAA(5) provides that once the company opts for paying tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year. Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

Up to 31 March 2020, the Company has been claiming deduction under section 10AA and has completed 8 years of such claim. However, given the introduction of the above section, the Company has evaluated and decided to opt for the lower corporate tax rate of 25.168% with effect from the Financial Year 2020-21. Such option can be exercised by the Company while filing its return for the Financial Year 2020-21 within the due date prescribed under sub-section (1) of section 139 of the Act. Once the Company exercises such option, the MAT tax credit (under section 115JAA) which it is entitled to on account of MAT paid in earlier years, will no longer be available for set-off or carry forward in future years.

B. Tax Neutral Merger under section 47 (available to the Company as a shareholder of Healthium OEM Private Limited ('HOEM'))

Section 47(vii) of the Act provides that any transfer by a shareholder in a scheme of amalgamation/ merger of a capital asset being a share or shares held by the shareholder in the amalgamating company would not be considered as a transfer and hence not taxable in the hands of the shareholders where the-

(a) the transfer is made in consideration of the allotment to him of any share or shares in the amalgamated company (**except where the shareholder itself is the amalgamated company**), and

(b) the amalgamated company is an Indian company

We understand that HOEM (a subsidiary of the Company) has filed an application with the National Company Law Tribunal for merger with the Company (appointed date of merger being 1 April 2021) and the same is currently underway. Merger of a subsidiary with the shareholder entity does not qualify as a transfer and hence is tax neutral basis the above provisions. Accordingly, the Company being the shareholder of HOEM would be entitled to the above exemption.

C. Exclusion under section 56(2)(x) for Tax Neutral Merger under section 47 (available to the Company as a shareholder of HOEM)

Section 56(2)(x)(c) of the Act provides for taxability in the hands of the recipient for any property other than immovable property. The tax would be applied as follows -

(a) for without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;

(b) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration.

However, proviso (ix) to section 56(2)(x)(c), provides for certain exclusion to the above taxability and states that the above section shall not apply to any sum of money or property received by way of transaction not regarded as transfer under clause (i) or clause (iv) or clause (v) or clause (vi) or clause (via) or clause (viaa) or clause (vib) or clause (vic) or clause (vica) or clause (vicb) or clause (vid) **or clause (vii)** or clause (viiac) or clause (viiad) or clause (viiae) or clause (viiaf) **of section 47**.

Basis discussions in point B above, the merger of HOEM with the Company (being the shareholder) could fall under the above exclusion under section 56(2)(x)(c) since the merger once completed would qualify as a transaction not regarded as transfer under section 47(vii) of the Act.

D. Deduction from Gross Total Income

- Section 80JJAA – Deduction in respect of employment of new employees

Subject to fulfilment of the prescribed conditions, the Company is entitled to claim deduction, under the provisions of section 80JJAA of the Act, of an amount equal to thirty percent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

- Section 80M

Up to 31 March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax (‘DDT’), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act 2020, DDT stands abolished and the dividend received by a shareholder on or after 1 April 2020 would be liable to tax in hands of the shareholder. The company distributing such dividends is required to deduct taxes at source (‘TDS’) at applicable rate specified under the Act read with the applicable Double Taxation Avoidance Agreement (if any).

For the resident company distributing dividends, a new section 80M was inserted by the Finance Act, 2020 with effect from 1 April 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return (‘Due Date’) as prescribed under section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid Due Date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under section 80M of the Act.

2. Special tax benefits available to Shareholders of the Company

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of individuals, whether incorporated or not and every artificial judicial person, surcharge would be restricted to 15% irrespective of the amount of dividend.

In respect of non-resident shareholders, dividend income would be liable to tax at the rate of 20% (plus applicable surcharge and cess) under the Act. However, non-resident could also avail the any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which such non-resident shareholder has fiscal domicile (i.e. is a resident).

3. Special tax benefits available to the Company's material Indian subsidiary, QNPL

A. Lower Corporate Tax Rate under section 115BAA

There are no special tax benefits available to QNPL.

Notes:

1. The above Statement of special tax benefits covers the relevant benefits under the Act, read with relevant rules, circulars and notifications as is available to the Company and its shareholders and to the Company's material Indian subsidiary, QNPL, and not to any other subsidiaries / joint ventures or shareholders of such other subsidiaries / joint ventures of the Company.

2. The above Statement 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 shares.

3. The above statement covers only certain relevant special tax benefits under the Act, read with relevant rules, circulars and notifications and does not cover any other benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

4. [Several of these benefits are dependent on the Company or its shareholders and QNPL fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

5. The Company has evaluated and decided to exercise the option permitted under section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2020-21 and accordingly, the special direct tax benefits, available for the Financial Year 2021-22 relevant to Assessment Year 2022-2023, are captured to the extent the same are relevant to a Company exercising such option. In this regard, it may also be noted that such option for Financial Year 2020-21 is yet to be exercised by the Company which could be done prior to furnishing the return of income of the Company for the Financial Year 2020-21. The option once exercised, cannot be subsequently withdrawn for the same or any future Financial Year.

6. This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company/ QNPL, including through the Offer.

7. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.

8. .No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Vishal Maheshwari
Group CFO

Place: Bengaluru
Date: 03 September, 2021

ANNEXURE 2

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders and to QNPL, under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications ("GST Law"), the Customs Act, 1962, the Customs Tariff Act, 1975 ("Customs Law"), as amended from time to time, Special Economic Zones Act, 2005 ("SEZ Law") and Foreign Trade Policy 2015-20 ("FTP") as extended till September 30, 2021 vide Notification No. 60/2015-20-DGFT dated March 31, 2021 (unless otherwise specified), presently in force in India.

1. Special indirect tax benefits available to Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

The Company is availing/ eligible for the following benefits under Indirect Taxes:

- The Company has a SEZ unit located in Sri City SEZ, Chittoor, Andhra Pradesh. With respect to the said SEZ unit, the following benefit(s)/ exemption(s) are available to the Company:
    - Exemption from levy of duty of customs on goods imported by a SEZ unit for authorised operations under Section 26 of the SEZ Act read with Customs Law.
    - Exemption from levy of IGST on all goods imported by a SEZ unit for authorised operations under Notification No. 64/2017-Customs dated July 05, 2017.
    - Exemption from levy of IGST on services imported by a SEZ unit for authorised operations under Notification No. 18/2017-Integrated Tax (Rate) dated July 05, 2017.
    - Benefit of zero-rating under Section 16 of the IGST Act, 2017 with respect to all domestic (both intra-state and inter-state) procurement of goods and/ or services for authorised operations.
- The Company has an Export Oriented Unit in Kunigal Industrial Area, Tumkur, Karnataka. With respect to the said unit, the following benefit(s)/ exemption(s) are available to the Company:
    - In terms of Notification No. 52/2003-Customs dated March 31, 2003 (and as amended from time to time), exemption is available from whole of customs duty and additional duty, if any, as leviable under the Customs Law on goods imported for use in Export Oriented Unit subject to fulfilment of prescribed conditions. Further, the aforesaid Notification was amended vide Notification No.19/2021-Customs dated 30 March 2021 to provide that exemption from integrated tax and compensation cess on such imported goods shall be available until March 31, 2022.
- The Company has Domestic Tariff Area Unit(s) in Peenya Industrial Area, Bengaluru, Karnataka and also at Kunigal Industrial Area, Tumkur, Karnataka. With respect to the said units, the following benefit(s)/ exemption(s) are available to the Company:
    - Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.
    - The Company has obtained licenses under Export Promotion Capital Goods Scheme ('EPCG') and Advance Authorisation Scheme ('AA') of the Foreign Trade Policy and has availed exemption from basic customs duty, social welfare surcharge and integrated goods and services tax on import of capital goods and raw materials respectively meant for export production. Further, vide Notification No.23/2021-Customs dated March 31, 2021 the exemption from payment of IGST and compensation cess on imports made under EPCG as well as AA scheme has been extended up to March 31, 2022.

- In terms of Notification No. 50/2017-Customs dated June 30, 2017, (and as amended from time to time) exemption is available from so much of duty of customs and integrated tax as is in excess of the amount calculated at the rate specified in the Notification subject to fulfilment of prescribed conditions. Under serial number 564 of the aforesaid Notification, the Company is availing benefit of concessional rate of duty for import of raw materials to be used for manufacture of finished goods.

- For certain specified goods imported from SAARC countries with which India has a preferential trade agreement, the Company is availing exemption from levy of customs duty/ benefit of reduced customs duty subject to fulfilment of prescribed conditions.

- The Company undertakes export of goods from all its' units in Karnataka and Andhra Pradesh. Under the GST regime, supplies of goods which are exported outside India are treated as zero-rated supplies. Such zero-rated supplies of goods are allowed to be made under either of the following options:

  - Without payment of IGST under Bond/ Letter of Undertaking (LUT). Under this scenario, the exporter is allowed to claim refund of unutilized input tax credit.

  - With payment of IGST. Under this scenario, the exporter is allowed to claim refund of IGST paid on exports.

- With respect to export of goods made from all its' units in Karnataka and Andhra Pradesh, the Company is availing duty credit scrips under Merchandise Export from India Scheme ("MEIS") covered in Chapter 3 – Exports from India Scheme in Foreign Trade Policy 2015-20 for all the units located in Andhra Pradesh and Karnataka. Per DGFT Notification No. 30/2015-2020 dated 01 September 2020, it has been prescribed that benefit under MEIS scheme shall be available until December 31, 2020. The Cabinet has also approved a WTO compliant scheme Remission of Duty and Taxes on Exported Products ("RoDTEP") to determine mechanism for reimbursement of taxes, duties/levies at central, state and local level. The said scheme comes into force from January 1, 2021 and replaces MEIS in a phased manner.

2. Special indirect tax benefits available to the Company's material Indian subsidiary, QNPL

QNPL is availing/ eligible for the following benefits under Indirect Taxes:

- QNPL undertakes export of goods from its unit in Uttar Pradesh. Under the GST regime, supplies of goods which are exported outside India are treated as zero-rated supplies. Such zero-rated supplies of goods are allowed to be made under either of the following options:

  - Without payment of IGST under Bond/ Letter of Undertaking (LUT). Under this scenario, the exporter is allowed to claim refund of unutilized input tax credit.

  - With payment of IGST. Under this scenario, the exporter is allowed to claim refund of IGST paid on exports

- QNPL is availing duty credit scrips under Merchandise Export from India Scheme ("MEIS") covered in Chapter 3 – Exports from India Scheme in Foreign Trade Policy 2015-20. Per DGFT Notification No. 30/2015-2020 dated 01 September 2020, it has been prescribed that benefit under MEIS scheme shall be available until December 31, 2020. The Cabinet has also approved a WTO compliant scheme Remission of Duty and Taxes on Exported Products ("RoDTEP") to determine mechanism for reimbursement of taxes, duties/levies at central, state and local level. The said scheme comes into force from January 1, 2021 and replaces MEIS in a phased manner.

- Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.

- The Company has obtained licenses under Export Promotion Capital Goods Scheme ('EPCG') and Advance Authorisation Scheme of the Foreign Trade Policy and has availed exemption from basic customs duty, social welfare surcharge and integrated goods and services tax on import of capital goods and raw materials respectively meant for export production. Further, vide Notification No.23/2021-Customs dated March 31, 2021 the exemption from payment of IGST and compensation cess on imports made under EPCG as well as AA scheme has been extended up to March 31, 2022

3. Special indirect tax benefits available to Shareholders

- The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its shareholders and to QNPL under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications ("GST Law"), the Customs Act, 1962, the Customs Tariff Act, 1975 ("Customs Law"), as amended from time to time, Special Economic Zones Act, 2005 ("SEZ Law") and Foreign Trade Policy 2015-20 ("FTP") as extended till September 30, 2021 vide Notification No. 60/2015-20 dated March 31, 2021 (unless otherwise specified), presently in force in India. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

2. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implication arising out of their participation in the Proposed Offer.

3. This Annexure covers benefits only under the above-mentioned indirect tax laws and does not cover any Income Tax law benefits or benefit under any other law.

4. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Vishal Maheshwari
Group CFO

Place: Bengaluru
Date: 03 September, 2021

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO HEALTHIUM OEM PRIVATE LIMITED UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Healthium OEM Private Limited
472/D, 4th Phase, 13th Cross
Peenya Industrial Area
Bangalore - 560058
Karnataka, India

Dear Sirs,

Statement of special tax benefits ("benefits") available to Healthium OEM Private Limited the "Company") and its shareholders under the Indian tax laws (the "Statement")

1. In relation to the Company and its shareholders, we, M/s. ASA & Associates LLP, Chartered Accountants (the "**Firm**"), are an independent firm of chartered accountants. We have received a request from the Company to provide certain confirmations in relation to possible special tax benefits available to the Company and the shareholders of the Company. This report is issued in accordance with the Engagement Letter dated 10th July, 2021.

2. We hereby confirm that the enclosed Annexures 1 and 2 (together '**the Annexures**'), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company under the direct and indirect tax laws, including the Income-tax Act, 1961 (**the "Act"**) as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 (as covered in Annexure 1), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") as amended by the Finance Act 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (as covered in Annexure 2) (together, the "**Tax Laws**"). We have initialled the Annexures for identification purposes only. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or the shareholders of the Company may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive, and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

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

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been / would be met with; and
   iii. the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed statements are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

7. We hereby consent to the extracts of this certificate being used in the draft red herring prospectus, red herring prospectus and the prospectus ("**Offer Documents**") in connection with the proposed initial public offering

ASA & Associates LLP
Chartered Accountants

by Healthium Medtech Limited (the "**Offer**") and for submission to the Securities and Exchange Board of India, relevant Stock Exchanges and any other authority, as may be required.

For ASA & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 009571N/N500006

Vinay K.S
Partner
Membership Number: 223085

UDIN: 21223085AAAAEA1182
Place: Bengaluru
Date: 01st September 2021

ANNEXURE 1

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

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2021 i.e. applicable to Financial Year 2021-22 relevant to Assessment Year 2022-2023, presently in force in India.

1. **Special tax benefits available to the Company**

A. Lower Corporate Tax Rate under section 115BAA

A new section 115BAA was inserted by the Taxation Laws (Amendment) Act, 2019 ('The Amendment Act, 2019) with effect from 1 April 2020 (Assessment Year 2020-21) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), subject to the condition that going forward it does not claim specified deductions/ exemptions as specified in section 115BAA(2) of the Act and computes total income as per the provisions of section 115BAA(2) of the Act. Proviso to section 115BAA(5) provides that once the company opts for paying tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year. Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

B. Deduction from Gross Total Income

- Section 80M

Up to 31 March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ('DDT'), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act 2020, DDT stands abolished and the dividend received by a shareholder on or after 1 April 2020 would be liable to tax in hands of the shareholder. The company distributing such dividends is required to deduct taxes at source ('TDS') at applicable rate specified under the Act read with the applicable Double Taxation Avoidance Agreement (if any).

For the resident company distributing dividends, a new section 80M was inserted by the Finance Act, 2020 with effect from 1 April 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return ('Due Date') as prescribed under section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid Due Date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under section 80M of the Act.

2. **Special tax benefits available to Shareholders of the Company**

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of individuals, whether incorporated or not and every artificial judicial person, surcharge would be restricted to 15% irrespective of the amount of dividend.

In respect of non-resident shareholders, dividend income would be liable to tax at the rate of 20% (plus applicable surcharge and cess) under the Act. However, non-resident could also avail the any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which such non-resident shareholder has fiscal domicile (i.e. is a resident).

ASA & Associates LLP Chartered Accountants

HEALTHIUM OEM PRIVATE LIMITED

Notes:

1. The above Statement of special tax benefits covers the relevant benefits under the Act, read with relevant rules, circulars and notifications as is available to the Company and its shareholders, and not to any other subsidiaries / joint ventures or shareholders of such other subsidiaries / joint ventures of the Company.

2. The above Statement 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 shares.

3. The above statement covers only certain relevant special tax benefits under the Act, read with relevant rules, circulars and notifications and does not cover any other benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

4. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

5. The Company has evaluated and decided to exercise the option permitted under section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2020-21 and accordingly, the special direct tax benefits, available for the Financial Year 2021-22 relevant to Assessment Year 2022-2023, are captured to the extent the same are relevant to a Company exercising such option. In this regard, it may also be noted that such option for Financial Year 2020-21 is yet to be exercised by the Company which could be done prior to furnishing the return of income of the Company for the Financial Year 2020-21. The option once exercised, cannot be subsequently withdrawn for the same or any future Financial Year.

6. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

7. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.

8. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Healthium OEM Private Limited

Vishal Maheshwari
Director

HEALTHIUM OEM PRIVATE LIMITED

Place: Bengaluru
Date: 01/09/2021

ASA & Associates LLP Chartered Accountants

Healthium
OEM

ANNEXURE 2

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

Indirect Taxation

There are no special tax benefits available to the Company and its shareholders, under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications ("**GST Law**"), the Customs Act, 1962, the Customs Tariff Act, 1975 ("**Customs Law**"), as amended from time to time, Special Economic Zones Act, 2005 ("**SEZ Law**") and Foreign Trade Policy 2015-20 ("**FTP**") as extended till September 30, 2021 vide Notification No. 60/2015-20-DGFT dated March 31, 2021 (unless otherwise specified), presently in force in India.

Notes:

1. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implication arising out of their participation in the proposed Offer.

2. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Healthium OEM Private Limited

Vishal Maheshwari
Director

HEALTHIUM OEM PRIVATE LIMITED

Place: Bengaluru
Date: 01/09/2021

ASA & Associates LLP
Chartered Accountants

HEALTHIUM OEM PRIVATE LIMITED
Registered Office: 472/D, 13th Cross, 4th Phase, Peenya Industrial Area, Bengaluru – 560 064, India
CIN: U25191KA2001PTC133870

To,

The Board of Directors
Clinisupplies Limited
1 Blackmoor Lane Croxley Park
Watford WD18 8GA
United Kingdom

and

The Board of Directors
Healthium Medtech Limited
No. 472/D, 4th Phase, 13th Cross
Peenya Industrial Area
Bengaluru,
Karnataka 560 058
India

Statement of special tax benefits available to Clinisupplies Limited ("Clinisupplies") and its subsidiaries under the applicable tax laws of the United Kingdom in relation to the proposed initial public offering of equity shares ("Offer") in India by Healthium Medtech Limited (the "Issuer"/ "Company")

1. This report is issued in accordance with the terms of our engagement letter dated 30 June 2021.

2. The accompanying Statement of Possible Special Tax Benefits available to the material subsidiaries of the Company in the United Kingdom (hereinafter referred to as "the Statement") under the applicable tax regulations, which is to be included in the Draft Red Herring Prospectus, has been prepared by the management of the Company in connection with the proposed Offer by the Company in India.

3. Pursuant to the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the "SEBI ICDR Regulations") and the Companies Act 2006 of the United Kingdom ("Act"), it is our responsibility to report, as an auditor of Clinisupplies, whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to Clinisupplies and its subsidiaries in accordance with applicable tax regulations in the United Kingdom as at the date of our report.

4. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the offering.

Inherent Limitations

5. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

The benefits discussed in the enclosed Annexure are not exhaustive and any general tax benefits available under any other laws within or outside the United Kingdom have not been examined and covered by this Statement.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Further, we give no assurance that the Revenue Authorities / Courts will concur with our views expressed herein. Our views are based on the existing provisions of tax regulations of the United Kingdom where Clinisupplies is located, and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to Clinisupplies or to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement.

Opinion

In our opinion, the Statement prepared by the management of the Company presents, in all material respects, the possible special tax benefits available as of the date of signing of this report, to Clinisupplies and its subsidiaries, in accordance with the tax laws and regulations of the United Kingdom.

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

i) Clinisupplies or its subsidiaries will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been / would be met with.

Restriction on Use

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and the Registrar of Companies, Karnataka at Bengaluru. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

Saymur Accountants Limited

Murtaza Gulamhusein
Partner
Membership number:- 7855114
Date: 25th August 2021
Place: United Kingdom

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from a report titled "Independent Market Report on Surgical Devices & Medical Consumables Market in Select Geographies" dated September, 2021 prepared by Frost & Sullivan, and commissioned and paid by our Company in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. See "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 20.

In this section, unless the context requires, references to "we", "us", "our" and similar terms are to Healthium Medtech Limited, on a consolidated basis. In this section, unless the context requires, references to "Clinisupplies" includes Clinisupplies and Clinidirect.

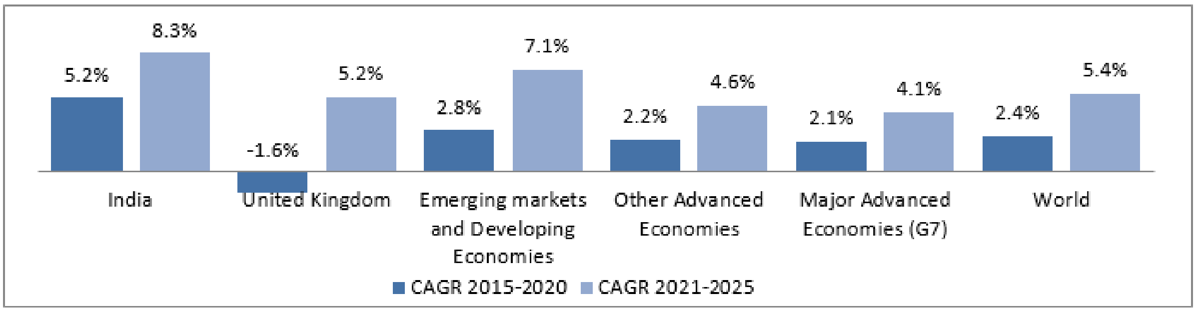
SECTION I: MACROECONOMIC OVERVIEW

GLOBAL MACROECONOMIC OVERVIEW

Global GDP growth expected to rebound post-COVID-19 rebound, led by developing economies

Global gross domestic product (GDP) is expected to rebound strongly 2021 onwards post the COVID-19 pandemic related disruptions in 2020. Global GDP is forecasted to grow at a higher CAGR of 5.4% over 2021-25 versus 2.4% CAGR historically (2015-20). Emerging economies are projected to grow faster at a CAGR of 7.1% over 2021-25. This recovery is driven by post lockdown growth of economic activity caused by large-scale vaccination, and strong fiscal and monetary stimulus by governments and central banks around the world.

Exhibit 1.1: GDP Growth Outlook (Historical + Projections), Global, 2015-2025F

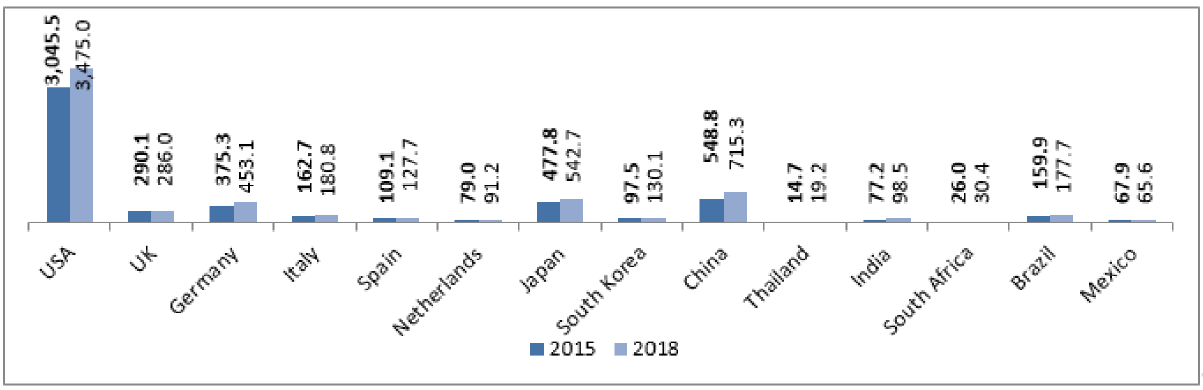


Source: IMF, Frost & Sullivan Analysis

Healthcare spends have grown ahead of GDP globally, with faster growth in developing economies

Healthcare forms a significant part of the global economy. Global healthcare spends were US$ 21.5 trillion in 2018 and have grown at 4.3% CAGR over 2015-2018, faster than global GDP growth over the same period.

Exhibit 1.2: Current Healthcare Expenditure (US$ Billion), Key Countries, 2015-2018

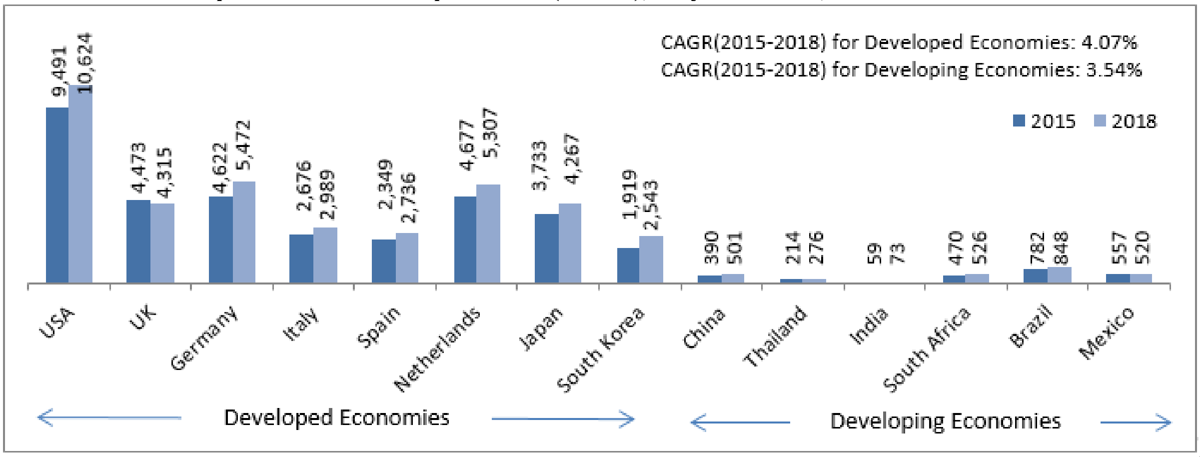


Source: World Health Organization Global Health Expenditure database, 2021 update

Healthcare spends in developing economies have grown at 7.35% between 2015-2018 vs. 4.47% for developed economies. Healthcare spends in developing economies have significant structural tailwinds as incomes rise and access to healthcare improves in these economies.

Amongst the key countries analysed, the United States has the highest per capita healthcare expenditure, at US$ 10,624 per person. Countries within the European Union reported healthcare spend between US$ 2,700 and US$ 5,500 per person annually. In comparison, per capita healthcare spends for developing economies is anywhere between US$ 70 and US$ 850, significantly lower than developed peers. This provides significant runway for growth in healthcare spends in developing economies.

Exhibit 1.3: Per Capita Healthcare Expenditure (in US$), Key Countries, 2015-2018



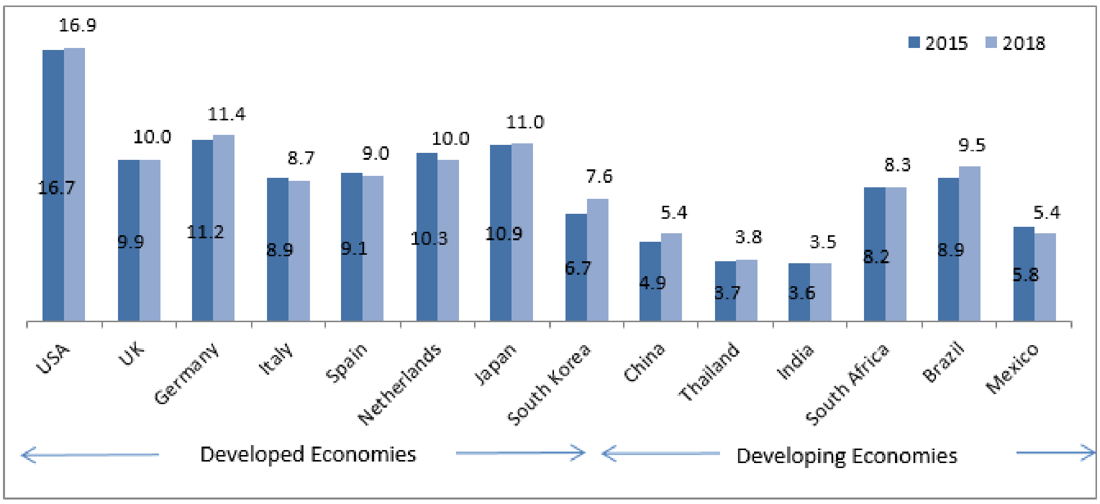
Source: World Health Organization Global Health Expenditure database, 2021 update

Significant proportion of healthcare spends in developed economies is driven by government spending; Developing economies catching up with impetus from COVID-19

Developed countries generally have established healthcare systems offering services to larger proportions of their population and, in some cases, offer universal healthcare to their entire population. However, in emerging economies such as India, government schemes offer limited coverage which results in higher out-of-pocket expenses to fulfil healthcare requirements. Consequently, healthcare spends in developing economies are 4% -10% of GDP vs. 9% - 17% of GDP in developed economies.

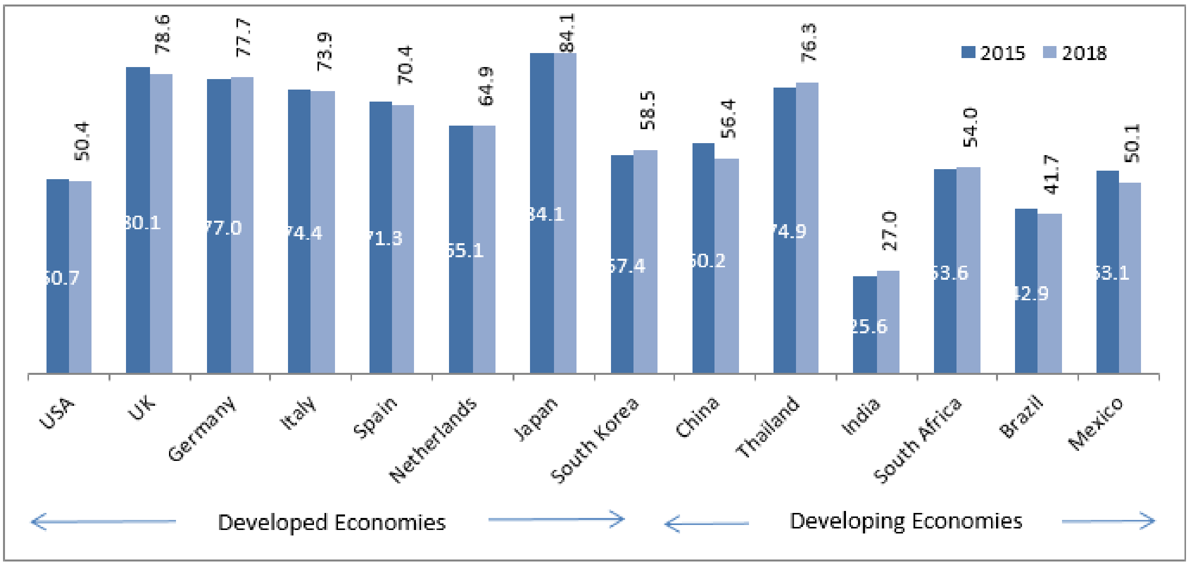
The COVID-19 pandemic has placed enormous strain on the global health care sector's workforce, infrastructure, and supply chain, and has exposed social inequities in health and care. This has led to policy action and increased government spending towards bolstering healthcare infrastructure as governments prepare for various waves of the virus in the short term, and place greater focus on public health beyond the pandemic. Further, supply chain disruptions during the pandemic have also spurred investments in diversifying supply chains and reducing dependence on a single nation. Asian economies with a sizable manufacturing base for medical products, including India, are well-poised to benefit from diversification initiatives. Given the focus of developed market governments to rationalize cost of healthcare, and developing market governments to provide low cost healthcare access, there is a marked shift towards value focused healthcare products and services.

Exhibit 1.4: Current Healthcare Expenditure as % of GDP, Key Countries, 2015-2018



Source: World Health Organization Global Health Expenditure database, 2021 update

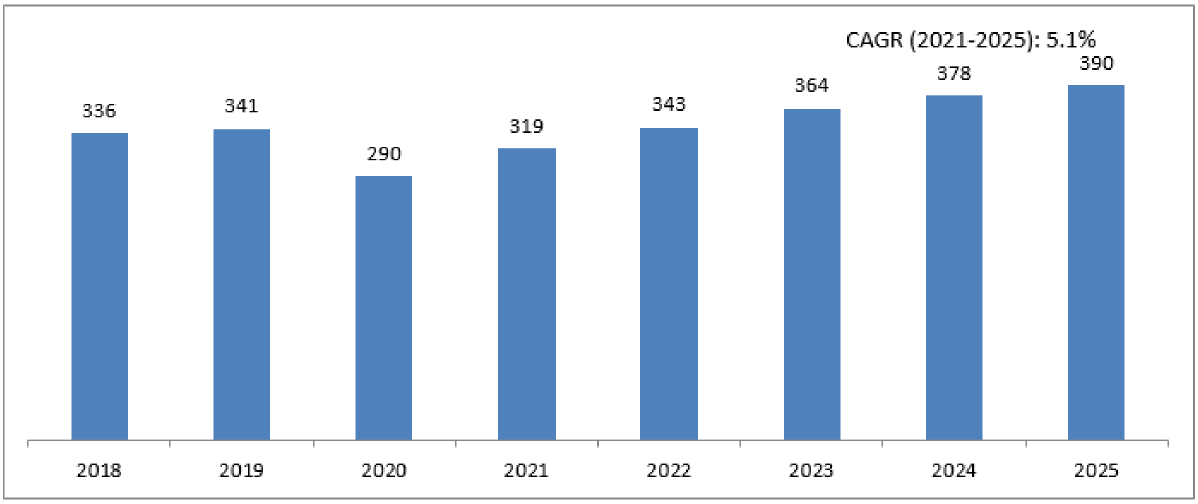
Exhibit 1.5: Public Sector Expenditure % of Current Healthcare Expenditure Key Countries, 2015-2018



Source: World Health Organization Global Health Expenditure database, 2021 update

Trends in Global Surgical Procedures

Exhibit 1.6: Volume of Surgical Procedures Conducted Annually (In Million), Global, 2018-2025F



Source: Frost & Sullivan analysis

290 million surgical procedures occurred globally in 2020, compared to over 341 million in 2019. COVID-19 pandemic negatively impacted the overall economy and particularly resulted in global surgical volumes declining by 15.00% in 2020, due to postponement of elective surgeries during COVID-19 and complete utilization of hospital resources for treatment of COVID-19 patients.

As economies open up after the pandemic surgical procedures are expected to grow at 5.1% CAGR from 2021-25 driven by release of pent-up demand. Surgical procedures in developing economies are expected to grow faster at 7.2%, while those in developed economies are expected to grow at 4.2%. Higher growth rates in developing economies are driven by growth in healthcare infrastructure in those regions. In 2021, most countries are likely to witness a double-digit growth rate in surgical procedures. This is likely to continue until 2022 and growth is expected to normalize thereafter.

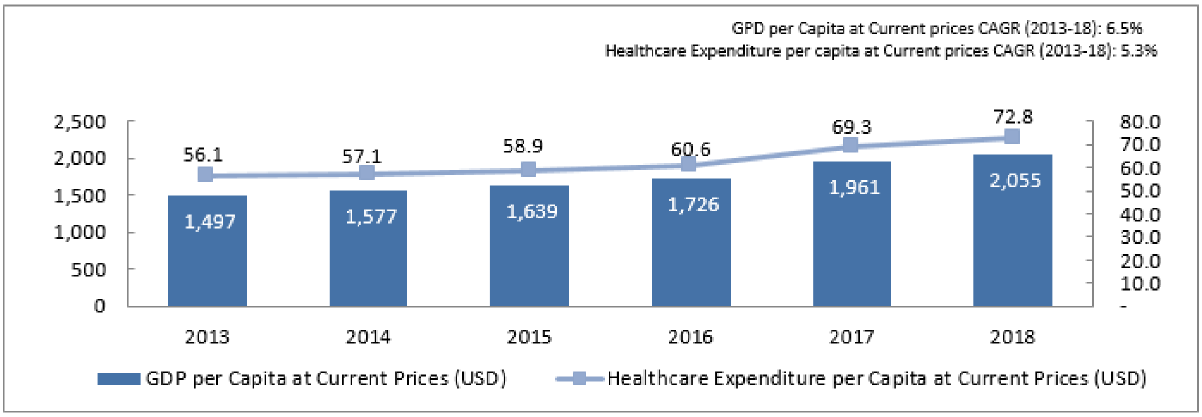
INDIA MACROECONOMIC OVERVIEW

India is expected to witness strong GDP growth which will drive increase in healthcare spends

India is one of the world's fastest growing economies with GDP (at current prices) of US$ 2.7 trillion in 2020, which is forecasted to grow at a CAGR of 8.3% from 2021-25. India's strong democratic set-up, skilled workforce, robust industrial and services-led growth and strategic relations (regional and global) are expected to drive future growth and help the country become one of the top three leading economic powers of the world over the next 10-15 years (Source: IMF). India's high GDP growth rate in the current decade is expected to increase the disposable income and improve the standards of living for its population. A rising disposable income will drive higher domestic consumption and provide economic stability to the growing middle-class population, thereby resulting in increased spending on healthcare.

Indian healthcare spends significantly lag emerging markets peers; Strong government impetus driven by COVID-19

Exhibit 1.7: Correlation between GDP per Capita and Healthcare Expenditure in India, 2013-2018



Source: World Health Organization Global Health Expenditure database, 2021

India significantly lags developing market peers in its healthcare expenditure and infrastructure. This lag is largely on account of low government expenditure on healthcare. Public expenditure on health care as a proportion of total healthcare expenditure in India was in the range of 16% - 27% from 2000 to 2018, significantly lower than that of other Asian countries such as China (56%), Thailand (77%) and Malaysia (51%). Lower public investment heavily impacts the affordability of healthcare (especially secondary and tertiary healthcare) resulting in unfulfilled healthcare needs of the population.

The Indian government is working on a range of initiatives to develop healthcare infrastructure, reduce access gap (e.g., Ayushman Bharat Yojana) and improve management of chronic diseases. The reduction in out-of-pocket healthcare expenditure as percentage of current healthcare expenditure for India from 71.7% in 2000 to 62.7% in 2018 displays the impact of government initiatives in improving access to affordable care.

COVID-19 provided massive impetus to healthcare spending in India. Beyond the immediate COVID-19 related investments, the pandemic has catalyzed government investment in building healthcare infrastructure and a US$ 5.13 billion investment in promoting domestic manufacturing which would provide long term tailwinds to this sector.

Indian healthcare sector witnessing strong growth driven by need to bridge access to care

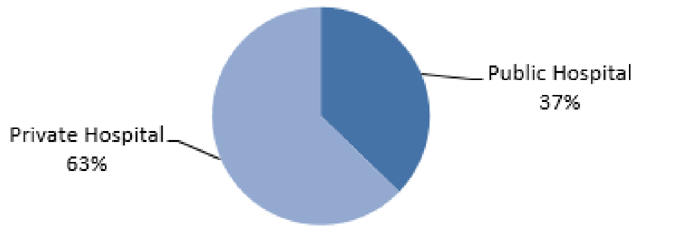
India has one of the lowest healthcare spends per capita, at US$ 73 per person, indicating significant room for growth spurred by additional public and private investment. Indian per capita healthcare spends has historically grown in line with GDP per capita.

The Indian healthcare sector is characterized by scarcity of infrastructure and skilled workforce. India has a lower bed density of 0.5 beds per 1,000 people versus China, the most populous country, at 4.3 beds per 1,000 population. Indian bed density is much lower than WHO recommendation of 3.5 beds per 1,000 people and global average of 2.7 beds per 1,000 people. Additionally, the number of physicians per 1,000 individuals is 0.9 for India, significantly lesser than the global average of 1.56.

Consequently, Healthcare is amongst the fastest growing sectors in India, both in terms of revenue and employment. The Indian healthcare industry which includes the medical devices, medical imaging, in-vitro diagnostics, digital health and pharmaceutical sectors is estimated to be US$ 40.72 billion in 2020. As per Frost & Sullivan analysis, Indian healthcare industry is expected to grow at a CAGR of 13.9% during 2021-2025, reaching US$ 96.01 billion in 2025. The healthcare delivery segment which includes hospitals is estimated to be worth US$ 114 billion in 2020. Hospitals are largely driven by private sector participants who operate 63% of Indian hospitals, however organized private corporate hospitals account for less than 10% of Indian hospitals. As of 2019, India had 69,000+ hospitals.

Additionally, the government is investing in increasing the number of medical colleges to around 554 in 2021 from 385 in 2014. These government investments are likely to improve both accesses to care and also address shortages in number of physicians.

Exhibit 1.8: Split of Public and Private Hospitals, India, 2019



Private corporate hospitals account for less than 10% of the total

Source: Frost & Sullivan analysis

Significant Investments in Healthcare Infrastructure with a focus on Tier 2 and Tier 3 Cities

India has had a huge urban-rural and private-public divide in healthcare delivery for many decades. In the last 3-5 years, this gap has reduced with increase in both public and private investments in hospital infrastructure. The expansion of corporate hospitals into tier 2 cities and growth of private single-specialty and small multi-specialty hospitals has changed the dynamics of access to care. The emergence of multiple 30-50 bedded hospitals in tier 3 cities has increased the density of hospitals in these towns. These hospitals also act as a hub for the rural population in the surrounding districts. Healthcare infrastructure in tier 3 and smaller cities is expected to grow faster over the next 3-4 years.

During the period 2015 to 2019, the key corporate hospital chains added 67% of their new beds in tier-2 and 3 cities. Almost 54% of corporate hospital beds were added in tier 2 cities and 13% in tier 3 cities, showing the expansion of offering across newer cities.

Rising Health Insurance Coverage in India

In 2019-2020, c. 36.5% of the Indian population was covered by health insurance, which is significantly lower compared to the healthcare insurance penetration in developed countries such as USA where more than 90% of the population is covered through private or government funded healthcare insurance.

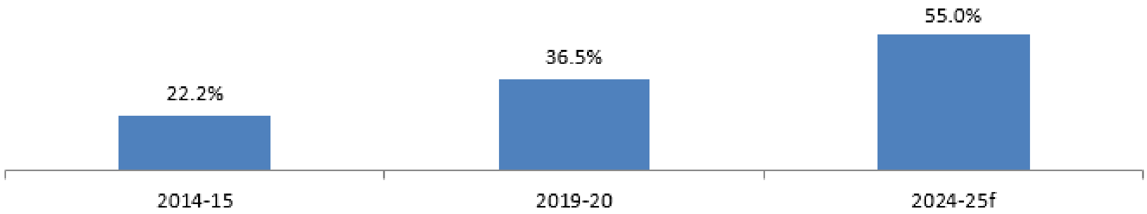
Lower insurance penetration primarily results in higher out-of-pocket expenditure for the majority of the population. The COVID-19 pandemic is prompting more and more people to evaluate purchasing health insurance coverage. Frost & Sullivan expects health insurance coverage to reach 55.0% of total population in India by 2024-2025 supported by strong growth in corporate health insurance.

Exhibit 1.9: Health Insurance Coverage, India, 2019-2020

Type of insurance	No. of lives covered (millions)	Growth
Government coverage	361.9	1.36%
Corporate insurance	93.5	28.36%
Individual insurance	361.9	1.36%

Source: IRDAI Annual Reports, Frost & Sullivan analysis

Exhibit 1.10: Health Insurance Penetration, India, 2014-2025F



Source: IRDAI Annual Reports, Frost & Sullivan analysis

Impact of COVID-19 on the Healthcare Industry in India

<u>Impact by sub-sector:</u>

- COVID-19 accelerated growth in the healthcare sector driving growth across pharmaceuticals, healthcare services and diagnostics. Some segments such as hospitals were impacted due to postponement of elective surgeries; however, this trend is expected to reverse post lifting of lockdowns driven by significant pent-up demand

- Surgical procedures were significantly impacted due to not only postponement of elective surgeries but also use of healthcare facilities for treatment of COVID-19 patients reducing available capacity

- The medical devices sector has shown strong resilience over the COVID-19 lockdown period as it declined by 16.09% despite 25% decline in surgical procedures and its near-term growth is expected to be robust

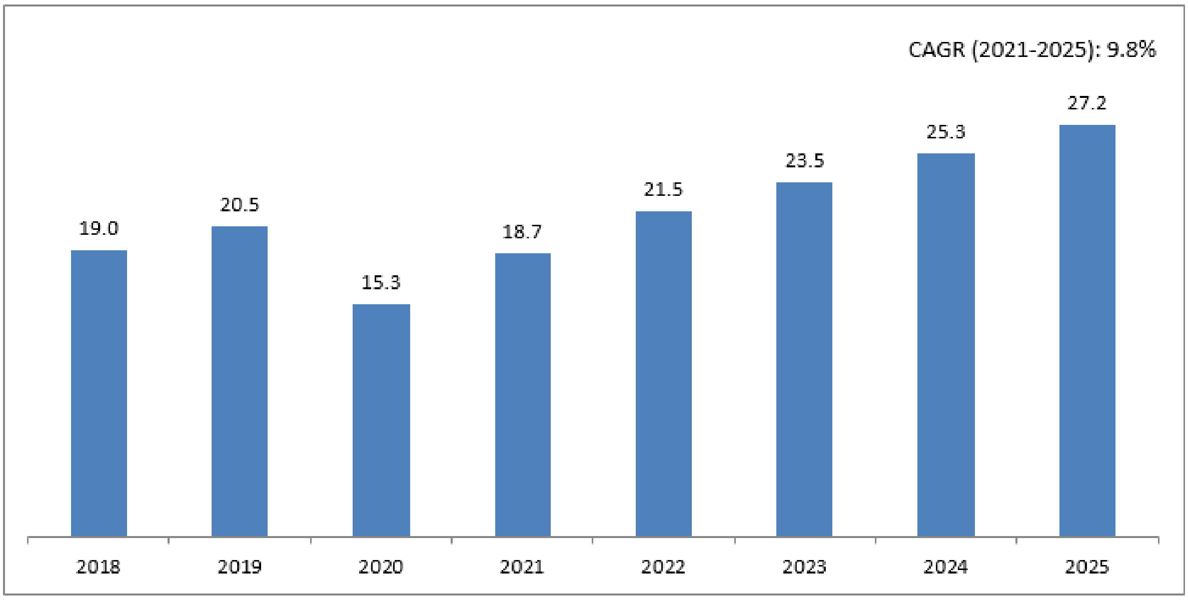
Government initiatives:

- In 2020, The Union Cabinet approved additional investment in Production Linked Incentives to promote domestic manufacturing of medical devices by allocating INR 3,420 crores (US$ 459 million)

- COVID-19 has spurred the state and central governments to enhance domestic manufacturing and healthcare infrastructure to ensure self-sustenance and adequate coverage

Surgical procedures in India

Exhibit 1.11: Volume of Surgical Procedures Conducted Annually (in million), India, 2018-2025F



Source: Frost & Sullivan Analysis

Surgical procedures in India are highly underpenetrated at ~2,000 surgeries per 100,000 people, compared to other emerging market peers at 4,500 surgeries per 100,000 people. During 2020, surgical procedures declined by 25.21% to 15.33 million due to COVID-19. Frost & Sullivan estimates the surgical procedures to grow at a CAGR of 9.83% (2021-2025) and reach 27.23 million procedures by 2025.

SECTION II: MEDICAL DEVICE MARKET

Overview of Healthcare Industry

The global healthcare market was valued at US$ 1,988.1 billion in 2020 and is estimated to grow at a CAGR (2021-2025) of 5.4% and reach US$ 2587.0 billion by 2025. The medical devices market was valued at US$ 394.4 billion in 2020, accounting for 20% of the healthcare market. The global medical devices market is growing at CAGR of 6.3% (2021-2025), which is higher than the growth rate of the overall healthcare industry and other segments including pharmaceutical and biotechnology (growing at c.4.8% CAGR).

Global Medical Device Market Size and Growth

Medical devices refer to a wide range of equipment, consumables and implants used in medical and surgical procedures, and for managing medical conditions. Medical devices are classified based on their usage as capital equipment and accessories, implantable devices, surgical devices (non–implantable), non-surgical devices and patient monitoring devices:

Capital equipment (comprised of hospital furniture, robotics, imaging equipment, sterilization equipment etc.) contributes to for c.30% of the market by value.

The **non–surgical devices market** (comprised of catheters, mobility devices, dental, ophthalmic products etc.) accounts for c.27% of the market by value.

The **surgical devices** market (comprised of sutures and wound closure products, instruments, wound care and infection prevention products, gloves, disinfectants, skin prep solution, procedure trays etc.) accounts for ~19% of the total market by value.

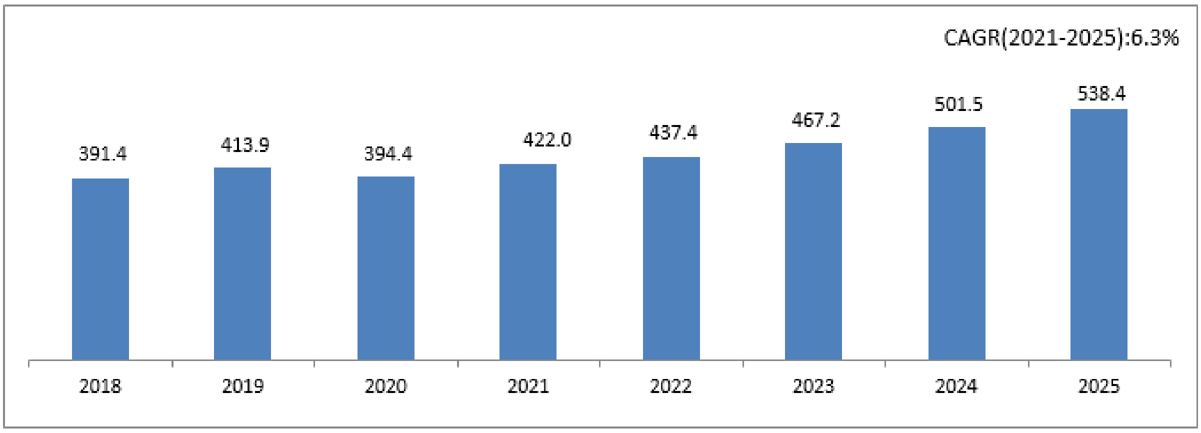
The **implantable devices** market (comprised of stents, occlusion devices, pacemakers, TAVR, orthopedic & arthroscopic implants, etc.) accounts for c.19% of the market by value.

Patient monitoring devices (comprised of electrocardiograph (ECG), blood pressure monitors, oximeters, thermometers etc.) market accounts for c.4% of the market by value.

These products are used primarily in secondary and tertiary care facilities. Most medical device manufacturers sell their products either through distributors or directly to their end customers (i.e., hospitals). The key decision-makers in the procurement of medical devices are healthcare professionals, payers and hospital administrators.

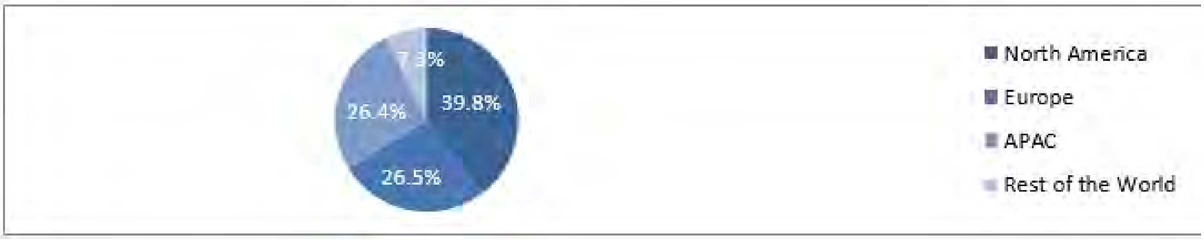
Global Medical Devices Market

Exhibit 2.1: Medical Devices Market Revenue Forecasts (US$ Billion), Global, 2018-2025F



Source: Frost & Sullivan analysis

Exhibit 2.2: Medical Devices Market Revenue Split in % by Region, Global, 2021



Source: Frost & Sullivan Analysis

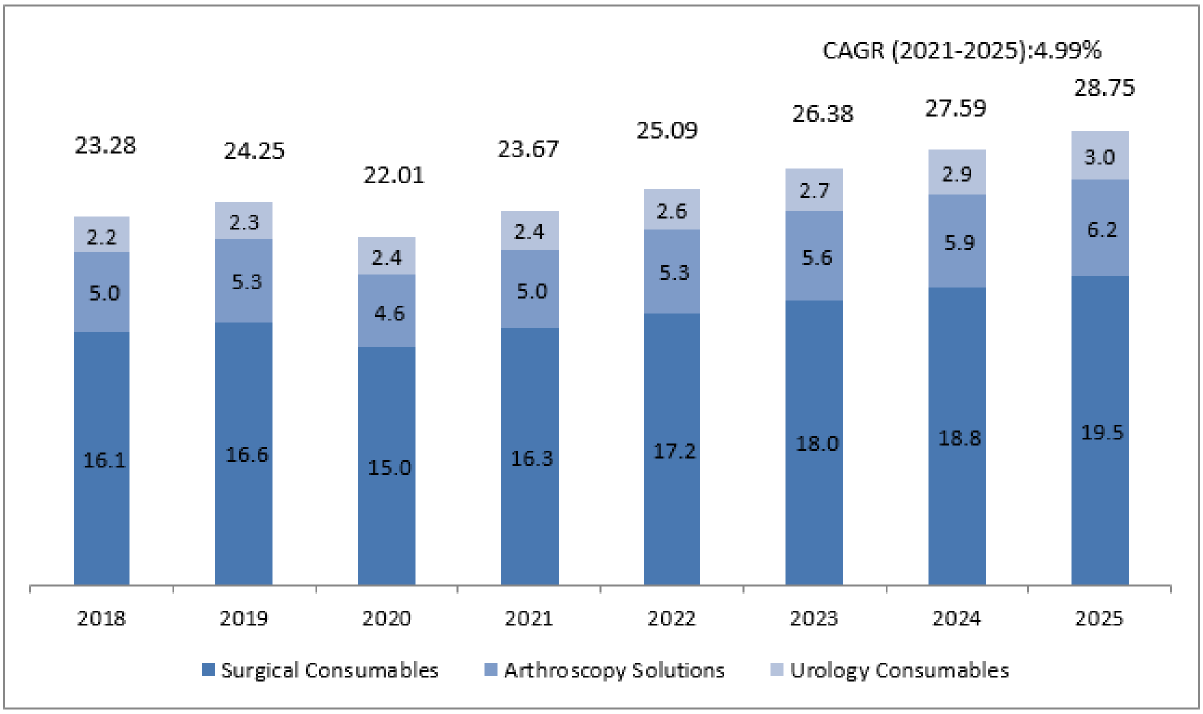
The global medical devices market is estimated to be US$ 394.4 billion in 2020, and is likely to grow at a CAGR of 6.3% (2021-2025). The market declined by 4.7% on a value basis in 2020 due to postponement of elective surgeries during COVID-19 pandemic.

The market growth in established markets (North America and Europe) is driven by aging population and increased incidence of lifestyle diseases. High healthcare spends in these geographies are supported by wide government funded reimbursement coverage.

The developing markets (APAC and ROW) account for higher share of global volume sales but relatively lower share of value sales due to lower product pricing. The medical device penetration is very low in these markets resulting in high growth potential driven by increasing incomes, improving health coverage and infrastructure and robust growth in surgical procedures.

Exhibit 2.3: Global Medical Surgical Consumables, Arthroscopy Solutions and Urology Consumables Market Revenue

Forecasts (US$ Billion), Global, 2018-2025F



Source: Frost & Sullivan Analysis

The demand for surgical consumables, arthroscopy and urology is based on the volume of inpatient treatment and surgical procedures. The global market for surgical consumables, arthroscopy and urology is expected to grow at a CAGR of 4.99 % between 2021 and 2025 and estimated to be US$ 28.75 billion in 2025. The demand for surgical consumables and arthroscopy is based on the volume of inpatient treatment and surgical procedures which are expected to grow at 5.11% CAGR between 2021 and 2025.

Key market participants in global medical device industry

The market participants in the medical device market can be classified in the following categories:

- Multinational companies, which have traditionally dominated this market and largely provide high-cost premium products
- Smaller domestic manufacturers across markets, many of whom sell low-cost products with widely varying quality standards.
- Independent medical device companies focused on select categories of medical devices with similar international standards of manufacturing, broad product portfolio and high brand recognition as the multinational companies, with no corporate parentage or group support. These companies have emerged as challengers to multinationals across geographies

Critical success factors for medical device companies

Success of medical devices companies is dependent on several factors:

- High quality standards as these products play a vital role in surgical outcomes
- Manufacturing capabilities given diverse set of regulations in various regions
- Cost effectiveness due to global focus on rationalizing cost of, and expanding access to, healthcare
- Sales force which engages extensively with healthcare professionals to promote various products in their portfolio
- Strong distribution channel across geographies effectively reaching out to a fragmented buyer universe
- Intellectual property and new product development engine

Independent medical devices companies have been gaining market share, as they offer high quality standards and competitive prices, and are able to effectively reach hospitals and healthcare professionals through well-invested sales forces.

Key market trends in Global Medical Devices Market

- **Introduction of EU MDR:** Europe has introduced new licensing requirements in 2021, requiring significant investment behind conducting clinical trials and additional product licensing costs by medical device manufacturers. The introduction of Medical Devices Regulations (MDR) regime in EU will increase the barriers to entry in this market and drive consolidation of market share

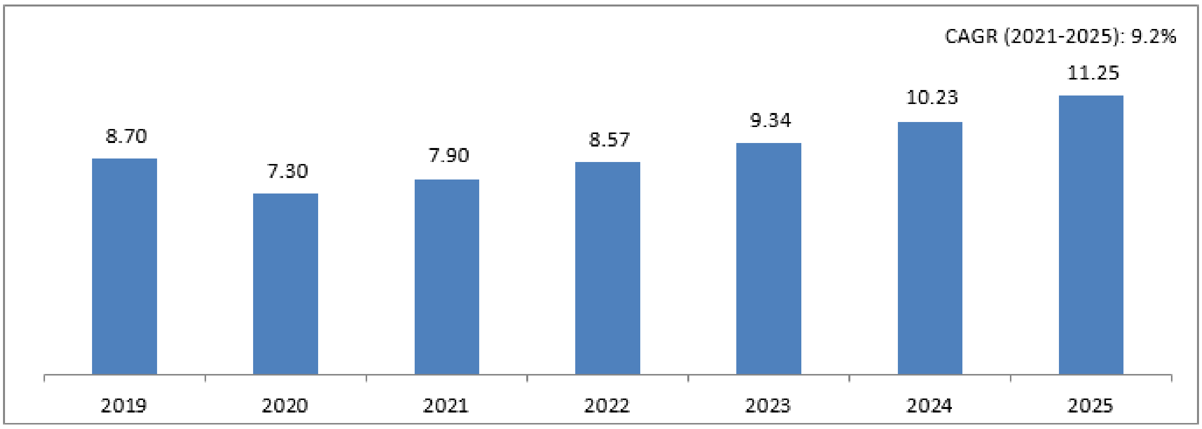
- **Focus on reducing costs:** Governments, payers and other healthcare stakeholders have twin objectives – moderating healthcare costs and expanding access to quality healthcare. These stakeholders are therefore focused on optimizing spend on medical devices and other products, while ensuring high quality standards.

- **Emergence of independent medical device companies due to cost focus:** This focus is driving a shift in the market from higher-cost products supplied by multinationals, to high-quality, value products supplied by independent medical devices companies.

- **Shift away from China:** Global medical device customers are focusing on supply chain diversification by global medical device customers post pandemic induced disruptions.

Indian Medical Devices Market

Exhibit 2.4: Medical Device Market Size (US$ Billion), India, 2015-2025F



Source: Frost & Sullivan Analysis

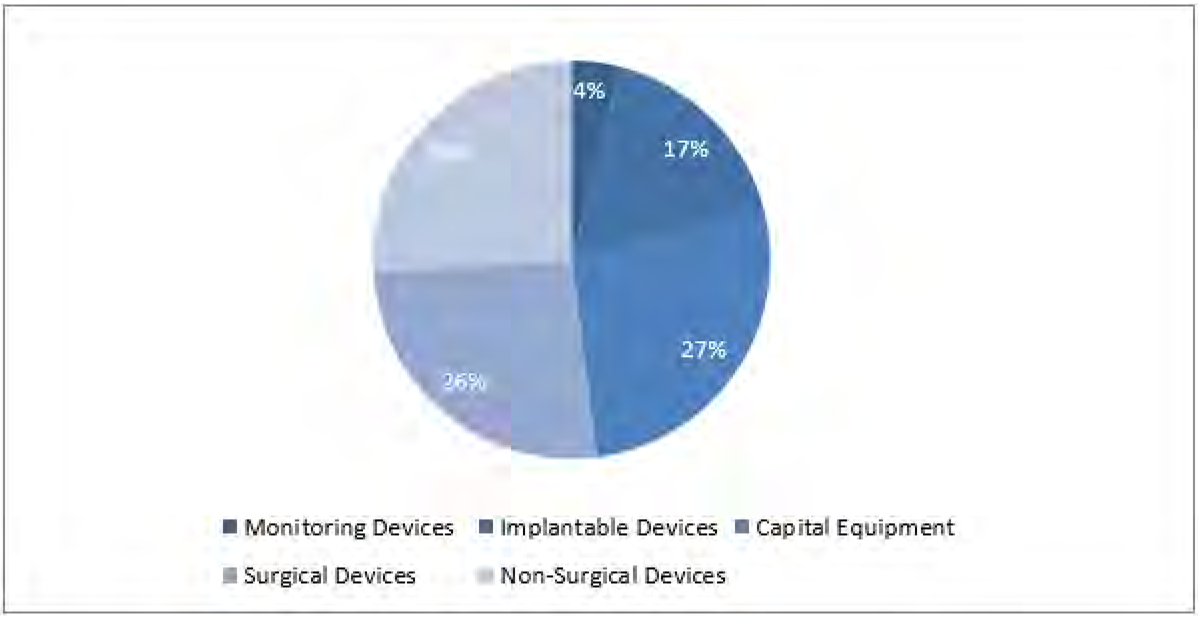
The Indian medical devices market was valued at US$ 7.3 billion in 2020 and is expected to grow at a CAGR (2021-2025) of 9.2% reaching US$ 11.25 billion by 2025. The market is highly fragmented: India has more than 800 medical device manufacturers with only 10-12% having turnover higher than US$ 5 million. Growth in this sector is driven by growing demand due to awareness and affordability, availability of cost-effective skilled labor and government initiatives around improving access to healthcare and incentivizing domestic manufacturing.

Metros and tier-1 cities account for more than 50% of medical device usage. This large share can be attributed to factors such as greater availability of skilled doctors and high-quality institutions, higher income levels and greater awareness among population. These cities are hubs of advanced surgical practices and have high penetration of healthcare infrastructure.

The tier-2 and tier-3 cities are emerging healthcare centres. Strong growth in healthcare infrastructure in these cities is driving robust growth in usage of medical devices.

The multinational companies and independent medical devices companies account for 70-80% of the Indian medical devices market by value. This market also includes a long tail of domestic medical device manufacturers primarily catering to the local market, indicative of a high degree of fragmentation.

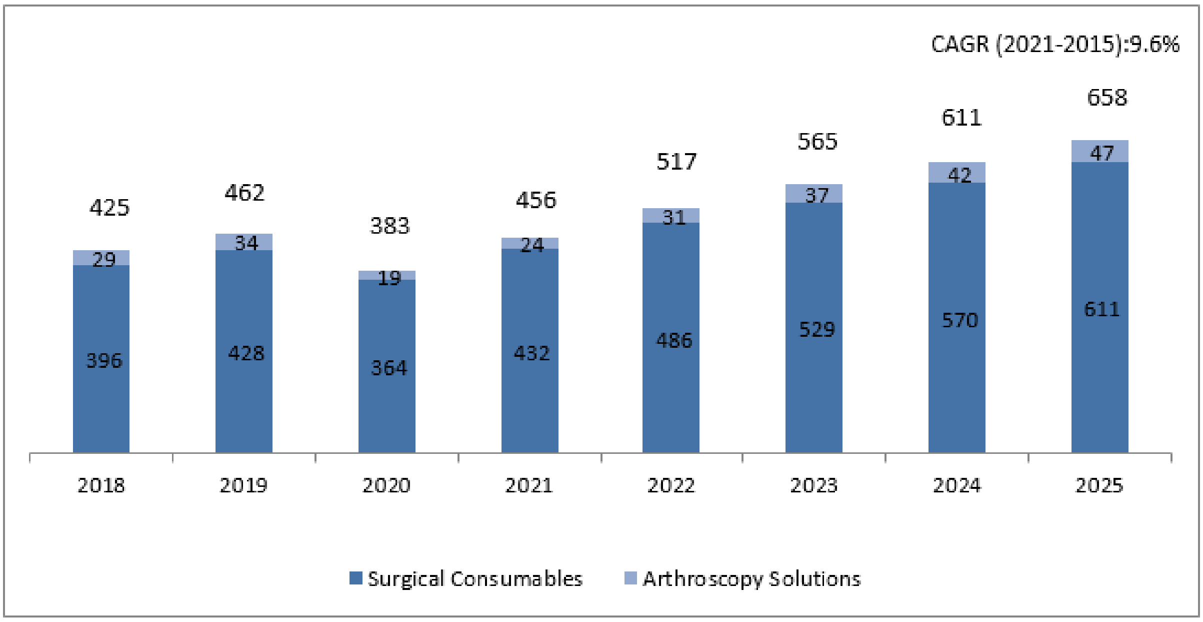
Exhibit 2.5: Medical Device Market Size by Product Type Percent Split, India, 2021



Source: Frost & Sullivan Analysis

Indian Surgical Consumables and Arthroscopy Solutions market

Exhibit 2.6: Indian Surgical Consumables and Arthroscopy Solutions Market Revenue Forecasts (US$ Million), India, 2018-2025F

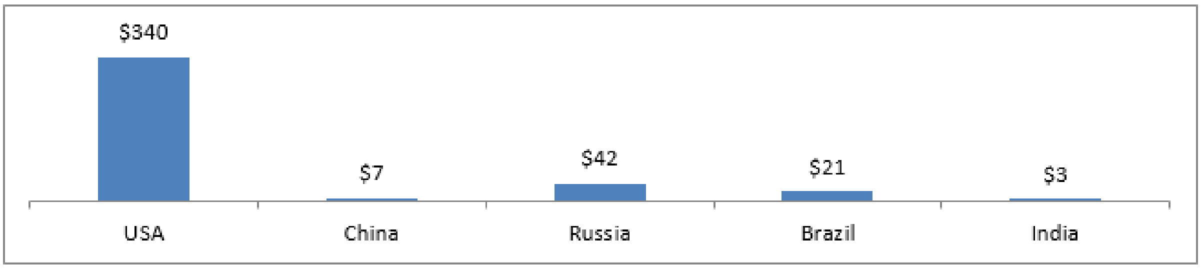


Source: Frost & Sullivan Analysis

In particular, the market for surgical consumables and arthroscopy in India is estimated to be US$ 455.84 million in 2021 and estimated to grow at a CAGR of 9.60% between 2021 and 2025. The demand for surgical consumables and arthroscopy is based on the volume of inpatient treatment and surgical procedures which are expected to grow at 9.83% CAGR between 2021 and 2025.

Growth Drivers for Medical Devices Market in India

Exhibit 2.7: Medical Device Spent Per Capita (in US$), Key Countries, 2016



Source: Frost & Sullivan Analysis from Literature Review

India is the 4th largest medical devices market by value in Asia, after Japan, China, and South Korea. The market is relatively underpenetrated due to lower density of healthcare infrastructure and relatively poorer health insurance coverage. India has one of the lowest per capita spends on medical devices versus peer emerging markets, which provides a long growth runway.

- **Growing disease prevalence:** India's high population growth rate and increasing prevalence of chronic lifestyle diseases has led to an increase in the need for surgical interventions to reduce the complications associated with such ailments.

- **Improving access to care:** The healthcare service industry is growing at a fast pace which has driven an increase in surgical procedures from 1,500 to 2,000 per 100,000 people (2015-19), however this lags other emerging markets at 4,500 surgeries per 100,000 people. This gap has resulted in significantly lower medical device per capita spends versus peer emerging markets.

- **Emergence of smaller hospitals:** Smaller private hospitals with surgical focus in tier-2 and tier-3 cities have increased access to surgical interventions for the rural population, driving increase in market penetration and overall growth in surgical procedures. These hospitals offer a strong value proposition of lower cost and convenience for the local population.

- **Increase in insurance penetration:** In 2019-2020 around 36.5% of the population in India was covered by health insurance, which is expected to increase to 55% by 2025. Public schemes such as Ayushman Bharat and other state government schemes have further accelerated the utilization of health resources driving growth in volume of surgeries conducted.

- **High GDP growth driving rising income:** India is one of the world's fastest growing economies. India's GDP at current prices is US$ 2.7 trillion in 2020 and is estimated to grow at a CAGR (2020-25) of 8.3%. The growth of economy has strengthened the growing middle-income population in the tier-2 and tier-3 cities which are key contributors in demand for healthcare services in the country. Tier-2 cities such as Surat, Patna, Jaipur and Indore have recorded an economic growth rate of over 40% making them an attractive destination for healthcare investments.

Key market trends in Indian Medical Device Market

- **Emergence of independent med-tech companies:** In the latter part of the last decade, a handful of independent medical device companies have invested in manufacturing capabilities, R&D and mergers and acquisitions to differentiate themselves and compete in the domestic and exports markets against the multinationals and other local players. There are around 5-6 such market participants currently, which are well placed to gain market share.

- **Value consciousness:** Given lower healthcare access, there is a significant impetus towards development of cost-effective healthcare solutions and business models while sustaining quality standards in order to drive penetration in lower tier cities. Further, there is greater emphasis on substituting medical device imports with lower cost domestic alternatives.

- **Quality standards:** The MDR 2017 in India was introduced with the objective of improving the quality of medical devices in India and bringing them at par with global regulatory standards. This is expected to drive consolidation in the Indian market.

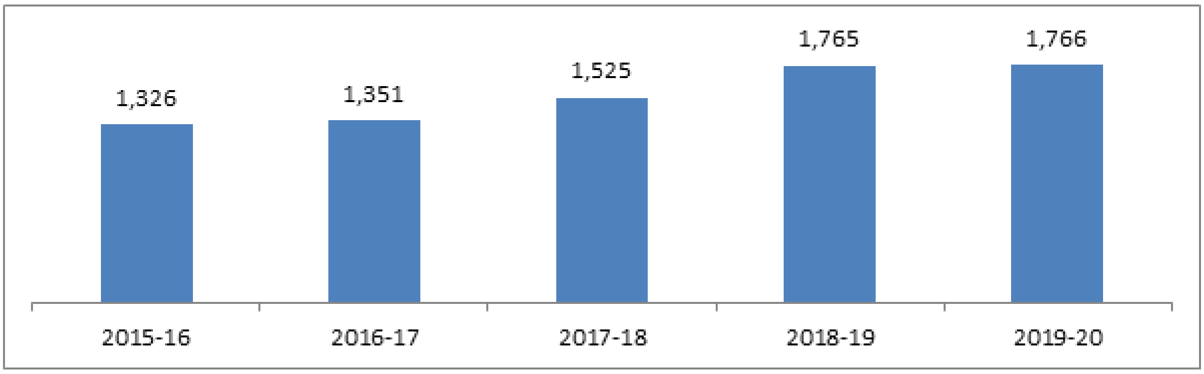
- **Export opportunity:** Shift away from China-based manufacturing as medical device customers globally adopt China plus policy is driving share gain for Indian manufacturers in the global markets.

Import Trends in Indian Medical Devices Sector

As per findings from NITI Aayog's 'Investment Opportunities in India's Healthcare Sector' report (2021), India imports large part of its medical devices requirement. Reliance on imported medical device products is greater in the case of high-end medical products such as medical imaging tools, cancer diagnostics, polymerase chain reaction (PCR) technologies, etc. In 2019-20, India's medical devices imports stood at US$ 1,766 million against exports of US$ 986 million.

There is increased government focus on various initiatives (e.g. Production Linked Incentive schemes) to reduce imports of medical devices.

Exhibit 2.8: Imports of Medical Devices Sector (US$ Millions), India, 2015-2020

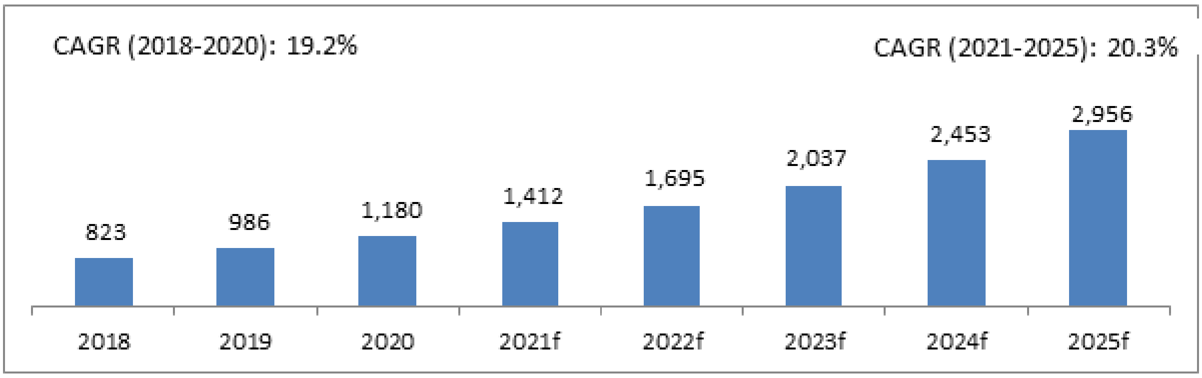


Source: NITI Aayog Report, 2021

Medical Devices Export Market in India

According to Frost & Sullivan, export of medical devices from India is estimated to be US$ 1,180 million in 2020 growing a CAGR of 20.2% from 2020-2025 indicating the growing potential of leveraging domestic manufacturing to target global medical device markets.

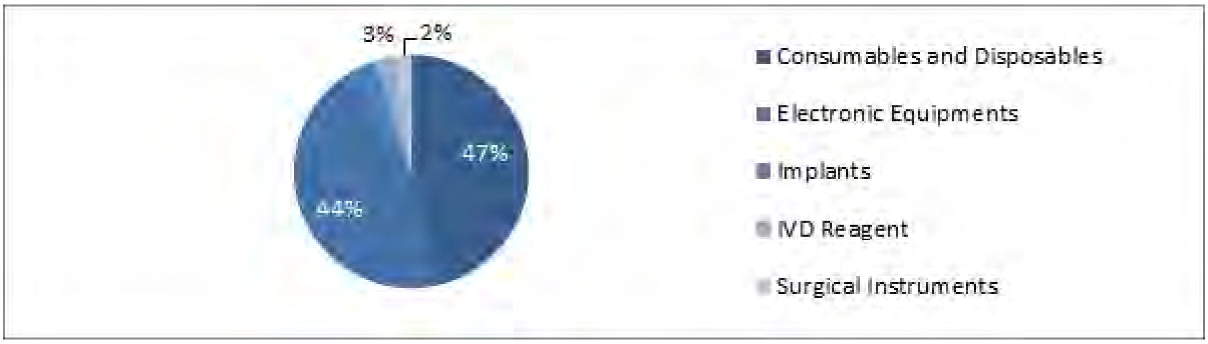
Exhibit 2.9: Market Size of Medical Devices Export (US$ Million), India, 2018-2025F



Source: Frost & Sullivan Analysis

USA and China are the largest importers of medical devices from India, followed by Germany, Singapore, and France. These top five countries account for more than 40% of the total medical device export from India. UK, Iran, Netherlands and Belgium hold considerable share of Indian exports.

Exhibit 2.10: Category-wise Export of Medical Devices (%), India, 2019-2020



Source: Engineering Export Promotion Council of India

Consumables and disposables form the largest export category, accounting for 47% of exports. Healthium was the largest exporter of sutures from India with over 51.66% share of exports by value in fiscal 2021.

Indian medical devices industry is at an early stage of its development, with parallels to the emergence of the pharma industry in early 2000s. The pharmaceutical market then was dominated by MNCs, but domestic pharma companies were able to leverage their strengths in manufacturing and market access to develop a strong value proposition and gain market share. Subsequently, these pharmaceutical companies leveraged capabilities to gain share in export markets. Similarly, the Indian medical devices market is witnessing trends of gain in market share by strong domestic players in the domestic market followed by gain in market share in export markets.

Key Government Initiatives for Promoting Medical Devices Industry in India

The Government of India has recognized medical devices as a sunrise sector under the 'Make in India' campaign promoting domestic manufacturing. Central and various state governments have put in place various initiatives to drive growth in this sector.

Government funded schemes promoting domestic manufacturing:

- Government has launched Production Lined Incentive (PLI) Scheme up to INR 3,420 crore (US$ 459.30 million) for medical devices manufacturers who have created a plan for establishing dedicated manufacturing hub across the country for producing medical devices, with a total fund outlay of US$ 468.78 million between FY21-FY28.

- Department of Pharmaceuticals (DoP) released a revised notice in 2021 on the Public Procurement Order (PPO), incorporating 19 medical devices in the revised guidelines of the PPO, which is expected to reduce import bill by US$ 538.62 million. On March 25th 2021, the government issued a notice that outlines eligibility criteria favoring domestic manufacturers for government tenders.

Non-fund based government support:

- In order to promote local manufacturing of high-end medical devices and attract investments in the sector, Government of India has set up National Medical Devices Promotion Council in 2020

- Certain states have established policies to drive investments in the medtech sector. For instance, Government of Andhra Pradesh is establishing the Andhra Pradesh MedTech Zone (APMTZ), which is expected to house all capital-intensive scientific facilities, laboratories, etc., and will be leased to manufacturers in Vishakhapatnam at low cost

The government initiatives to promote domestic manufacturing and encourage foreign direct investments in medical device manufacturing in India, are likely to improve quality of manufacturing and drive cost competitiveness in the market, enabling independent Indian companies to grow both in the domestic and exports markets.

SECTION III: SURGICAL CONSUMABLES MARKET

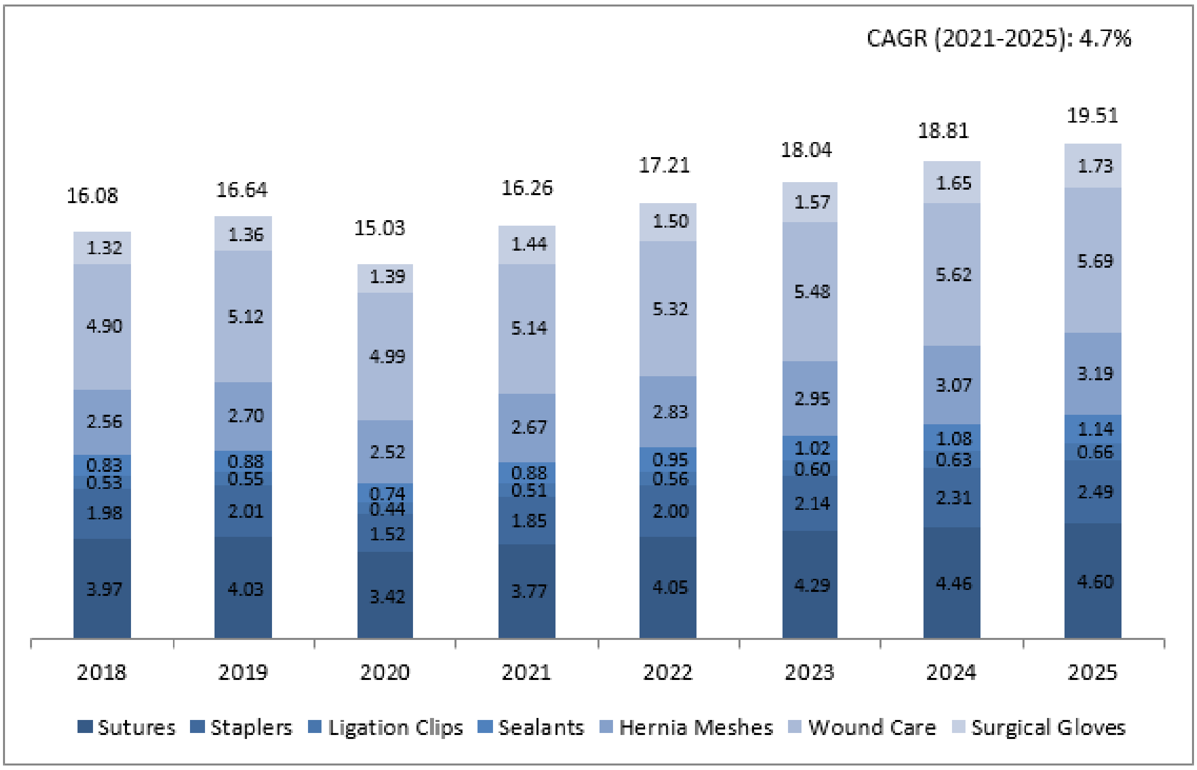
Surgical consumables in the context of this report include wound closure devices, wound care and surgical gloves. The wound closure devices include sutures, stapling devices, ligation clips, surgical sealants, hemostats and hernia meshes. The wound care devices include traditional wound dressings and advanced wound dressings.

Surgical consumable products are largely used by hospitals, and key buying criteria are product quality, surgeon preference and cost. These consumables are critical for success of every surgery as they play a key role in the execution of the surgical procedure, reduce the risk of infection, and help wound closure and healing.

Global Surgical Consumables Market

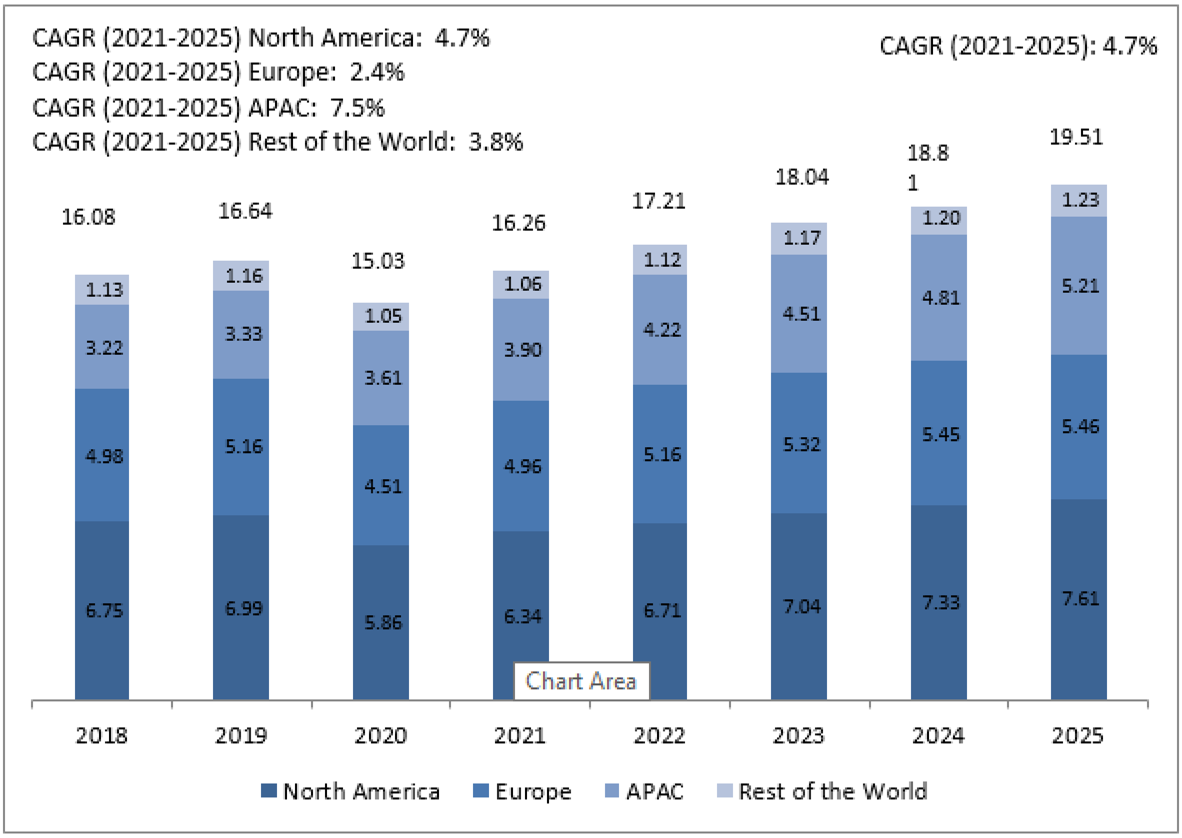
The global surgical consumables market is estimated to be worth US$ 15.03 billion in 2020 and is expected to grow at a CAGR of 4.7% (2021-2025), reaching US$ 19.51 billion by 2025. The market growth is driven by growth in volume of surgical procedures, which are in turn is driven by the aging population and increased incidence of lifestyle diseases across the world, and improving access to healthcare in developing markets. Surgery volumes are growing at 5.1% globally and at over 7.2% in emerging geographies such as India and China.

Exhibit 3.1: Surgical Consumables Market Revenue Forecasts by Segments (US$ Billions), 2018-2025F



Source: Frost & Sullivan Analysis

Exhibit 3.2: Surgical Consumables Market Revenue Forecasts by Regions (US$ Billions), 2018-2025F



Source: Frost & Sullivan Analysis

The global surgical consumables market was largely contributed by North America (39% of the market by value), followed by Europe (30%), APAC (24%) and rest of the world (7%) in 2020. Emerging markets such as APAC have a significantly higher volume market share, but lower value contribution due to lower product pricing.

Improving levels of healthcare access in emerging markets will drive high growth for surgical consumables in these markets.

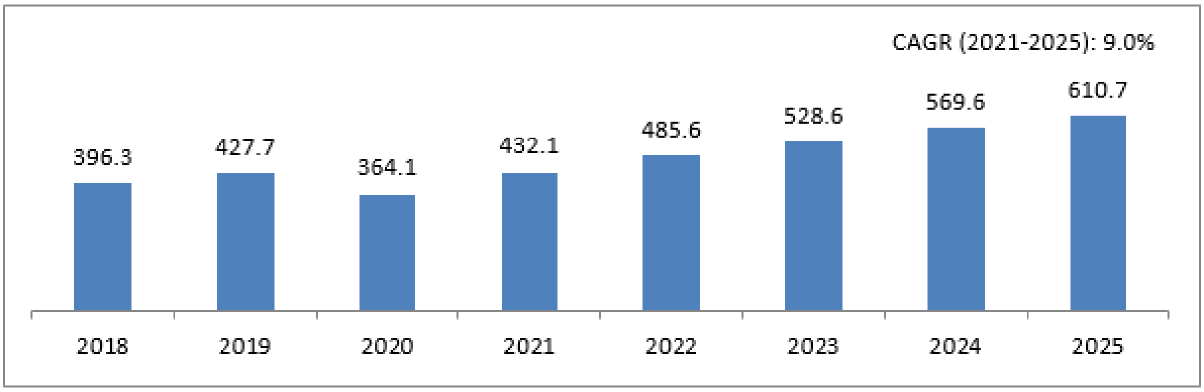
Surgical consumables in emerging markets are expected to witness double digit growth rates in the forecast period, driven by higher GDP growth, increasing disposable incomes and increasing access to healthcare.

India Surgical Consumables Market

The Indian surgical consumables market was estimated to be worth US$ 364.1 million in 2020 and is expected to grow at a CAGR of 9.0% (2021-25), reaching US$ 610.7 million in 2025. The market witnessed a slowdown due to COVID-19 and impact of lockdowns on surgical procedures, resulting in 14.9% value decline in 2020. The Indian surgical consumables market is expected to grow at a CAGR of 15.47% over the next two calendar years, driven by surgery volumes growing at a CAGR of 9.83% (2021-25).

This growth is likely to be driven by improving access to surgical procedures in India, where the per-capita surgery rate is less than half of that in other similar developing markets (2,000 per 100,000 people, versus 4,500 per 100,000 people for other similar developing markets). This improved access to surgical procedures in India is expected to be enabled by increasing government and private sector spending on healthcare and development of healthcare infrastructure.

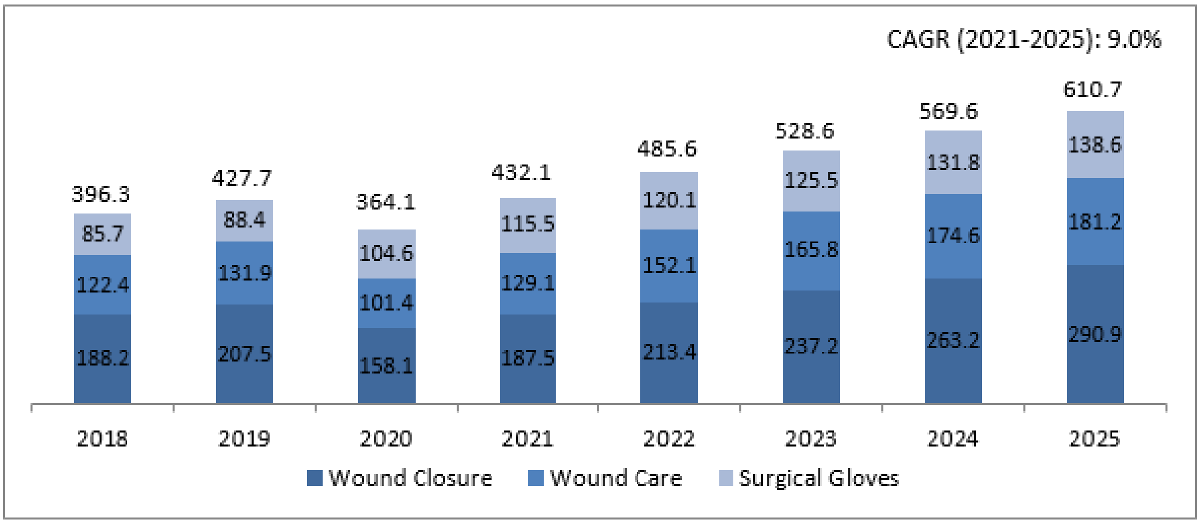
Exhibit 3.3: Surgical Consumables Market Revenue Forecasts in India (US$ Millions), 2018 - 2025F



Source: Frost & Sullivan Analysis

Key Segments in Indian Surgical Consumables Market

Exhibit 3.4: Surgical Consumables Market Revenue Forecasts by Segments (US$ Millions), India, 2018-2025F



Source: Frost & Sullivan Analysis

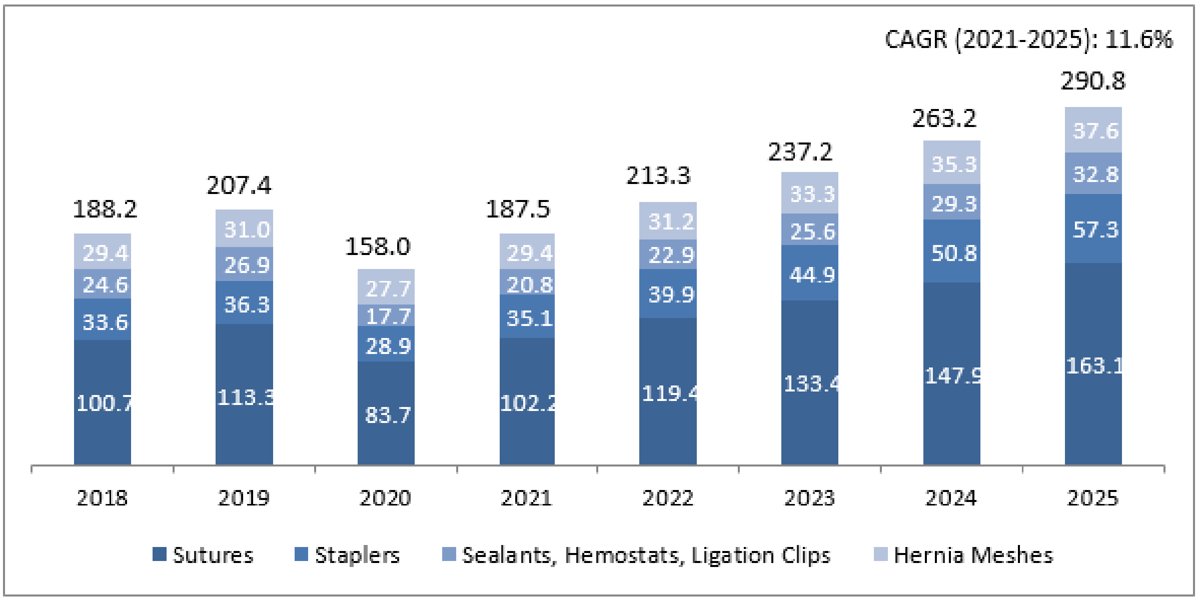
<u>Wound care:</u>

Wound care accounts for 28% of the total surgical consumables market by value in 2020. Wound care is a US$ 101 million market and is expected to grow at 8.8% CAGR (2021-25). The market is largely dominated by traditional wound dressings such as cotton gauze (85.6% of market by value). Advanced wound dressing form about 14.4% of the market and are gaining share from cotton gauze, and are expected to grow faster at 17.4% CAGR.

The advanced wound care market in India is currently significantly under-penetrated compared to other emerging markets, primarily due to lower availability and high prices of these products which are largely supplied by multinational market participants. Smith & Nephew and 3M dominate the advanced wound dressings market and account for greater than 81 % of the market by value. These products are largely used in metro and tier-1 cities, and are currently highly under penetrated in tier-2 cities and beyond. The adoption of these products is expected to significantly increase driven by increase in participation of domestic market participant offering value products. CareNow has recently innovated on advanced wound dressing products which offering a wide array of benefits at highly competitive pricing.

Wound Closure:

Exhibit 3.5: Wound Closure Market Revenue Forecasts by Segments (US$ Millions), India 2018-2025F



Source: Frost & Sullivan Analysis

Wound closure market includes sutures, meshes, staplers, ligation clips, haemostats and sealants. The wound closure market is estimated to be worth US$ 158.0 million and is expected to grow at 11.6% CAGR over 2021-25, reaching US$ 290.8 million in 2025.

Sutures is the largest segment in the wound closure market and accounts for 53% of the market by value in 2020. Sutures is a US$ 83.7 million market and is expected to grow at 12.4% CAGR (2021-25). The market largely consists of synthetic sutures (72% of market by value) followed by natural sutures and catgut sutures, which are significantly lower priced products and account for a higher volume market share. The market is shifting to synthetic sutures due to superior benefits, driving pricing growth in this market.

The sutures segment was significantly impacted due to postponement of elective surgeries during COVID-19 and declined by 26.1% on a YOY basis in 2020. The market is forecasted to bounce back, growing beyond pre-COVID-19 levels in 2022.

Ethicon is the market leader in sutures in India, with over 60% market share by value and c. 30-40% market share by volume. B. Braun, Medtronic and other leading multinational market participants account for c. 10-15% market share by volume. Healthium is the largest independent medical device company and second-largest company overall in the sutures market in India based on volume sales as of 31 March 2021. Healthium accounted for 28.09% market share by volume in the Indian sutures market in fiscal 2021.

Staplers account for 18% of the Indian wound closure market by value in 2020. Staplers is a US$ 28.9 million market as of 2020 and is expected to grow at CAGR of 13.0% (2021-2025). These products are largely sold to large hospitals with focus on specialty surgeries such as oncology, orthopaedic and trauma procedures etc. The staplers segment was significantly impacted due to postponement of elective surgeries during COVID-19 and declined by 20.2% on a YOY basis in 2020.

Medtronic and Ethicon accounted for around 90% of the staplers market by value in 2020. They have benefited from their long-standing presence in the country, but have lost market share recently due to increase in competition from domestic market participants.

Hernia meshes account for 18% of the Indian wound closure market by value in 2020. Meshes is a US$ 27.7 million market and is expected to grow at a CAGR of 6.3% (2021-2025). A large proportion of volume sales (c. 90-95%) is driven by low-end meshes due to price sensitivity of the patient population. Hernia surgeries are dispersed across the country and critical success factors for scaling such a product is a wide distribution reach across tier-1, 2 and 3 cities. The meshes segment was impacted due to postponement of elective surgeries during COVID-19 and declined by 11% on a YOY basis in 2020.

Other products within wound closure include haemostats, surgical sealants and ligation clips, which cumulatively account for 11% of the wound closure market. The market for these products is estimated to be US$ 17.7 million markets in 2020 and is expected to grow at a CAGR of 12.1% (2021-2025).

The market for ligation clips and haemostats are dominated by multinational market participants. Ethicon is the market leader in both these segments. Independent medical device companies such as Healthium are gaining market share through organic and inorganic expansion in these products. Abgel is the leading gelatin sponge brand in India as on March 31, 2021.

Surgical Gloves:

Surgical gloves accounts for 29% of the total surgical consumables market by value in 2020. Surgical gloves are a US$ 104.6 million market and are expected to grow at 4.7% CAGR (2021-25). This segment is value-focused due to high consumption volume; surgeons typically use 9-15 pairs during each surgery. These gloves have higher quality standards versus standard examination gloves, driving higher realizations. Due to price sensitivity, this market is dominated by domestic companies. COVID-19 provided a strong tailwind to growth of surgical gloves, resulting in 18.3% growth on a Y-O-Y basis in 2020.

Kanam is the largest domestic market participant in this segment. Ansell and other global market leaders have leveraged their established sales network to penetrate the metros and tier-1 cities, while other domestic market participants have been successful in growing across all tiers of cities. Healthium launched India's first and only domestically manufactured anti-microbial gloves, which enhances patient and surgeon safety by preventing the spread of infections through a non-leaching antimicrobial technology.

Growth Drivers for Surgical Consumables in India

Surgical consumables market in India is expected to grow 9.0% CAGR (2021-2025), and has a long runway for growth given the following drivers:

- **Growth in number of surgical procedures:** Penetration of surgical procedures in India has grown from 1,500 per 100,000 people to 2,000 per 100,000 people between 2015 and 2019. The gap between India and other emerging countries has been narrowing over the last few years as the Indian government has undertaken various initiatives to increase access to healthcare across India.

- **Increase in number of facilities:** The number of hospitals with surgical focus across tier-2 and tier-3 cities has been increasing sharply driven by growing demand in these cities and government focus on improving access. Increase in healthcare infrastructure is contributing to volume growth in number of surgical procedures.

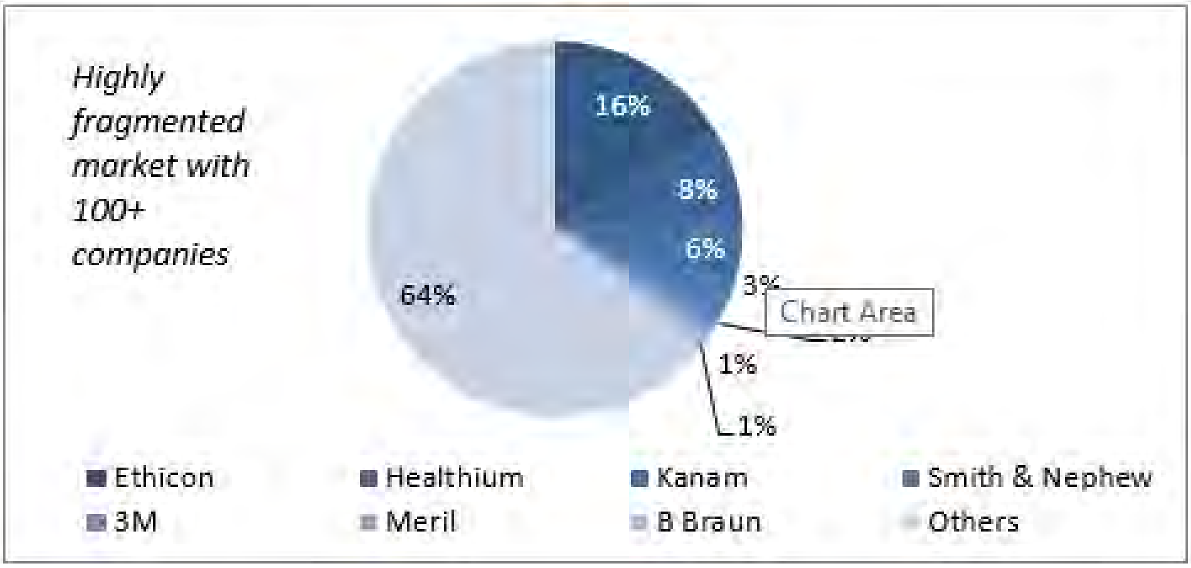
- **Increase in insurance Coverage:** Ayushman Bharat and other state government schemes are driving increase in insurance coverage for surgical procedures, enhancing access to both private and public facilities. This has increased the volume of surgeries conducted amongst the low-income families who either delayed procedures or left health problems undiagnosed for long time periods.

- **Pent up demand in surgical procedures:** COVID-19 pandemic led to decrease in the volume of surgeries by 25%, resulting in significant backlog of elective surgeries. Post easing of COVID-19 restrictions, there has been an upsurge in surgical volumes and this trend is expected to continue over the next few years.

Key Competitive Trends in the Surgical Consumables Market in India

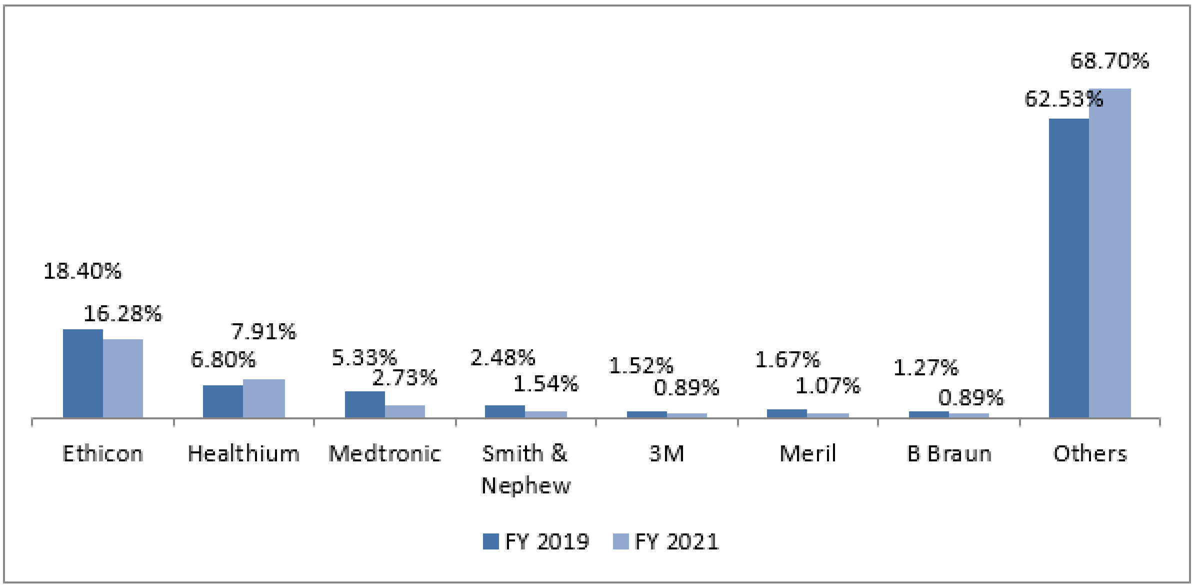
The Indian surgical consumables market is dominated by multinational market participants with long-standing presence, high-priced premium products and strong distribution in metros and tier-1 cities. The Indian market landscape also includes independent medical device companies who have been gaining market share from multinational market participants and smaller domestic market participants. In particular Healthium has gained market share and has one of the broadest product portfolio. The market is highly fragmented, with a large proportion of small domestic companies and has been consolidating. Around 30-40% of the medical device manufacturers in India are small scale operators operating in the surgical consumables segment and catering to local consumption with limited focus on exports.

Exhibit 3.6: Surgical Consumables Market Share Split in %, India, 2020



Source: Frost & Sullivan Analysis

Exhibit 3.7: Surgical Consumables Market Share Split in % of Select Market Participants, India, FY 2019-FY 2021



Source: Frost & Sullivan Analysis

Multinational market participants:

Several multinational market participants, including Ethicon, Medtronic, Becton Dickinson and B Braun, have had long standing presence in the country. Majority of their sales is driven by metros and tier-1 cities, as they primarily offer higher-priced premium products.

Ethicon is the market leader with greater than 16% of the market share in value in surgical consumables and 37.5% market share in wound closure market in FY2021. It has a broad product portfolio and premium priced products.

Independent medical device companies:

Independent medical devices companies such as Healthium have made an impact in the market and changed the dynamics of product purchases, especially across corporate hospitals and metros and tier-1 cities where multinational market participants have been dominant. They have been increasing market share by leveraging their deep penetration across tier 1, 2 and 3 cities. They offer competitively priced, high-quality products, thus creating a differentiated value proposition amongst customers.

Healthium is the largest independent medical device company in the surgical consumable segment and second-largest company overall in the surgical consumables market in India, with ~ 7.91% share based on value in Fiscal 2021. As on March 31, 2021, Healthium was one of the market leaders in the surgical consumables market in India, the global surgical needles market, and the urology collection devices market in UK. Healthium have increased their market share in the Indian surgical consumables market from 6.80% to 7.91% between fiscals 2019 and 2021. As on March 31, 2021, the company has a direct sales force of over 350 employees, which is the largest amongst independent medical device companies in India. As of March 31, 2021, their sales force covers over 40,000 surgeons across over 18,000 hospitals across India representing 40% of surgeons and 52% of hospitals conducting surgical procedures in India. Their sales network reaches 90% of all districts in India which have secondary healthcare facilities which were 523 as of 2020. As on March 31, 2021, tier-3 and smaller cities represents 57.08% of their revenue from India. Healthium were the first Indian Class III medical device company to receive US FDA registration for one of their manufacturing facilities (Class III medical devices usually sustain or support life, are implanted, or present potential unreasonable risk of illness or injury). Healthium is the only company in India with a CE-certified surgical needles manufacturing facility as on March 31, 2021. One in five surgeries conducted globally uses a Healthium product as of 31 March 2021.

Exhibit 3.8: Competitive Landscape of Select Companies, 2020

Categories	Market participants
Sutures	Ethicon, B Braun, Medtronic, Healthium, Meril Lifesciences, Lotus Surgical, Futura Surgicare, Centenial Surgical Sutures
Staplers	Ethicon, Medtronic, Healthium, Meril Lifesciences
Ligation Clips	Ethicon, Medtronic, Teleflex, Healthium
Hemostats and Surgical Sealants	Ethicon, Baxter, Healthium, Meril Lifesciences
Hernia Meshes	Ethicon, BD, Healthium, Lotus
Wound Dressings	3M, Smith & Nephew, Molnlycke, Healthium
Surgical Gloves	Ansell, Kanam Latex, Healthium

Source: Company Websites, Frost & Sullivan Analysis

Exhibit 3.9: Recent product innovations in the Indian Surgical Consumables Market

Companies	Product and Process Innovation
Ethicon	• The company was the pioneer in introducing antimicrobial sutures in India. • The company launched the STRATAFIX barbed suture that can close wound quickly without interruption and saves OR time savings and costs. • They have launched the Echelon+ Stapler with Gripping Surface Technology (GST) Reloads, a new powered surgical stapler designed to increase staple line security and reduce complications through more uniform tissue compression and better staple formation, even in challenging situations. • Ethicon is the only company globally with a complete portfolio of multiple clip and single clip devices for all open and endoscopic surgery needs.
Medtronic	• The company's V-Loc™ wound closure device is a revolutionary technology that enables secure wound closure without the need to tie knots, thus enabling faster closure. • Endo GIA™ curved tip reload with Tri-Staple™ technology provides superior strength and leak resistance, across procedures, offering superior performance.
Healthium	• First barbed sutures in India with a triangle stopper which helps in faster wound closure. • Ligating clips with an innovative, patent-pending, design which provides a secure grip in surgeries. • Patented sutures which help prevent post-partum hemorrhage, a leading cause of maternal mortality in India. • Additionally, as on March 31, 2021, there are several unique products used in surgical and post-surgical care such as certain arthroscopy products, sutures to prevent post-partum hemorrhage, barbed sutures with a triangle stopper and anti-microbial gloves, for which they are the sole Indian manufacturer

	• They were the first medical technology company in India to use a laser drilling process in needle manufacturing, which enables them to produce smaller needles with precise dimensions and consistent quality. • Since fiscal 2018, Healthium has sold 30 new products, which has increased their total addressable market in India by over US$ 74 million as of Fiscal 2021. • Their Kunigal Facility is the only manufacturing facility in India that has a compression bandage, retention bandage and anti-allergenic garment plant as on March 31, 2021.

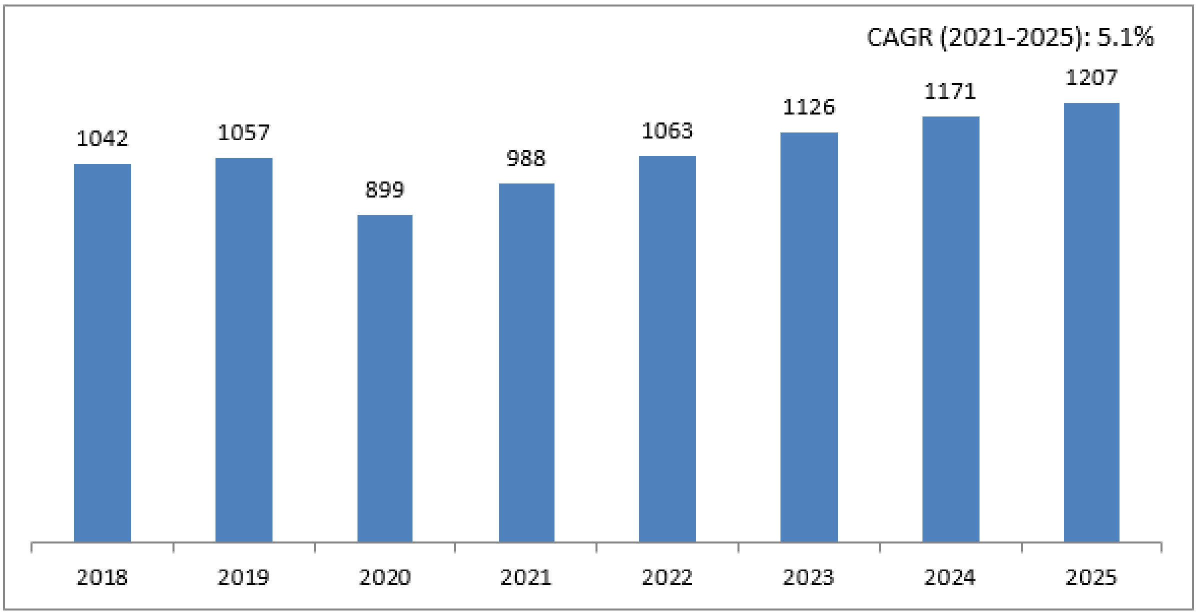
Source: Company Websites, Frost & Sullivan Analysis

SECTION IV: CONTRACT MANUFACTURING FOR NEEDLES

Overview of contract manufacturing for surgical needles

Surgical needles are a key component of a suture product and are critical to driving effective wound closure. Production of surgical needles is dominated by select large suture OEMs (who manufacture them for captive consumption) and a few established specialized market participants. The current global suture needle volume sales (including captive volumes) is estimated to be around 899 million in 2020 and expected to grow at a CAGR (2021-2025) of 5.1 % annually and reach 1,207 million units sales by 2025.

Exhibit 4.1: Suture Needle Volume Sales Estimates (In Millions) Global, 2018-2025F



Source: Frost & Sullivan Analysis

Competitive Trends in Global Needle Market

Manufacturing of needles is a specialized process and is largely contributed by a few market participants which include Ethicon, Medtronic, Healthium, Mani and FSSB. Multinational market participants such as Ethicon and Medtronic manufacture their own suture needles and also procure needles from other suture needle manufacturers to meet their global demand.

Globally, Ethicon is the largest manufacturer of needles and solely supply towards captive sales for their own suture manufacturing.

Amongst other global companies, Healthium accounted for a 22.30% share in overall volume sales globally in FY 2021.The company is the largest non-captive surgical needles manufacturer and accounts for 45.41% share of the non-captive market. They have increased their market share in the needles business globally to 22.30% in fiscal 2021 as compared to 16.90% in fiscal 2019.

SECTION V: UROLOGY SOLUTIONS

Urinary Incontinence Burden

In 2018, 8.7% of the global adult population (around 423 million people) suffered from some form of urinary incontinence according to Gothenburg Continence Research Center (GCRC). These ailments are underdiagnosed as more than 50% of people suffering from urinary incontinence, don't seek active treatment often due to associated embarrassment and shame. Incontinence is a common problem amongst the elderly, with 91% of them receiving care at their homes versus hospitals. The prevalence of urinary incontinence in Europe is around 9.9% of the population, accounting for around 57 million people. In the UK, the NHS estimates that one in 10 men and one in 5 women aged above 65 years and living at home, have some form of urinary incontinence.

European Urology Consumables Market

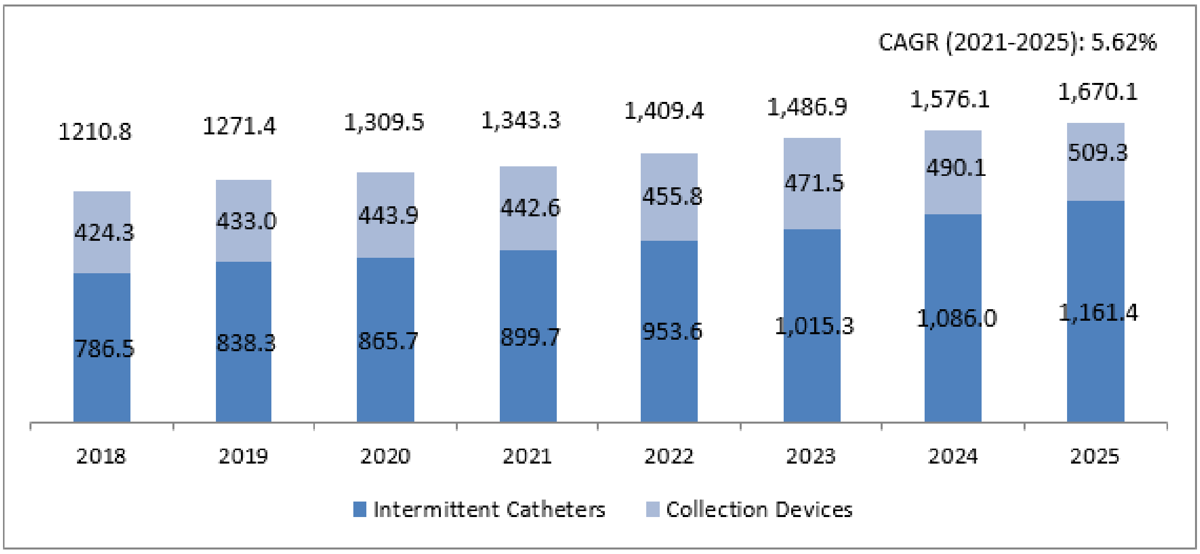
The global urology consumable market is estimated to be US$ 2.38 billion, of which Europe accounts for over 55% of the market by value in 2020. The European urology consumables market is estimated to be US$ 1.30 billion in 2020 and is estimated to grow to US$ 1.67 billion by 2025, at a CAGR (2021-2025) of 5.62%.

The European urology consumables market operates in two key segments – intermittent catheters and collection devices.

Intermittent catheters (IC) account for 66% of the European urology consumables market by value and are growing at a 6.59% CAGR (2021-2025). These products are used by patients on a daily basis in community settings. Consequently, there is an increasing emphasis on seeking lower-cost solutions. Western European countries are witnessing market shift to innovative, comfortable compact catheters with enhanced ease of usage.

The urology collection device segment accounts for 34% of the European urology consumables market by value and is growing at a CAGR (2021-2025) of 3.57%. This growth is driven by growth in the elderly population, who have increasingly prevalent urinary problems. This market has seen limited innovation from the incumbents, resulting in the emergence of new independent players offering high quality and competitively priced products. Some of these independent players are also driving innovation focused on discreetness, security and reducing risk of infection. As a result, independent players have been gaining share from the incumbents in this market..

Exhibit 5.1: Urology Consumables Market Revenue Forecasts by Segments (US$ million), Europe, 2018-2025F



Source: Frost & Sullivan Analysis

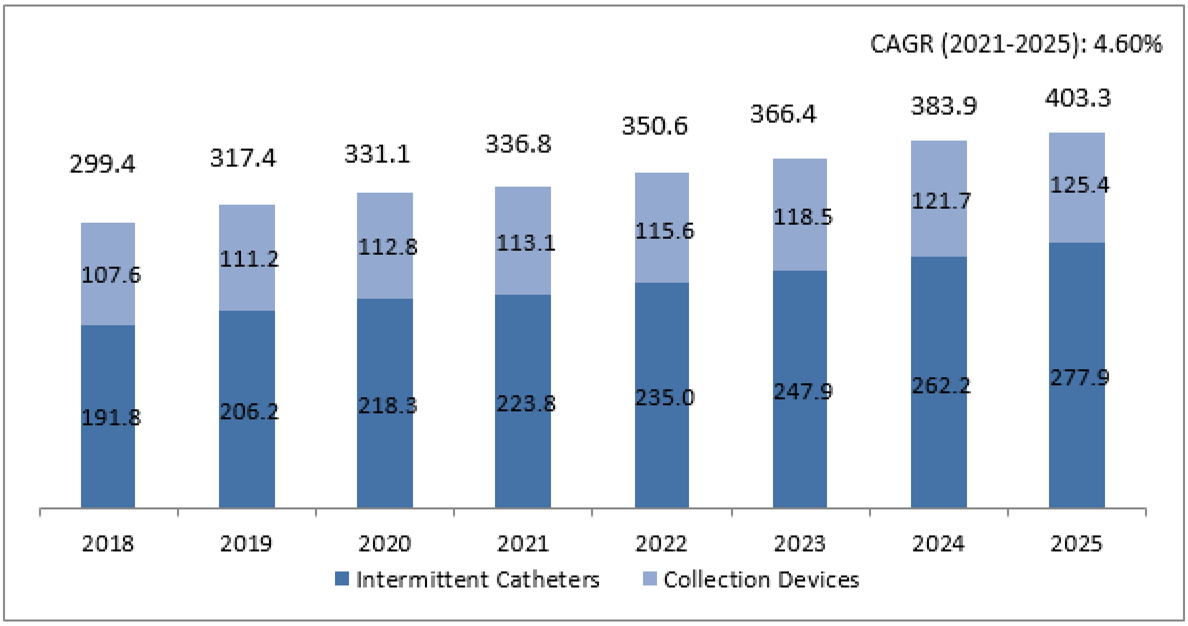
United Kingdom (UK) Urology Consumables Market

The urology consumables market in the UK was estimated to be US$ 331.1 million in 2020. The urology consumables market in the UK is expected to grow at a CAGR of 4.60% between 2021 and 2025. Displaying resilience through COVID-19, the urology consumables market in the UK grew at a CAGR of 3.02% between 2019 and 2021.

Intermittent catheters accounted for 66% of the UK urology market in 2020. There has been a shift in the market from conventional intermittent catheters to compact catheters which has increased the average price of the intermittent catheters, increasing market growth rate. These compact intermittent catheters have an addressable market opportunity of US$ 218.32 million in UK in 2020 and are likely to grow at a CAGR of 3.9% (2021-2025) and reach US$ 277.87 million in 2025.

The collection devices market in the UK was estimated to be worth US$ 112.77 million in 2020 and is likely to grow at a CAGR of 2.62% (2021-2025) and reach US$ 125.39 million in 2025. This segment has witnessed market share gain by independent medical device companies with quality products sold at lower prices compared to multinational market participants. This share shift has resulted in marginal decline in selling price, driving slightly lower market growth by value despite steady underlying volume growth.

Exhibit 5.2: Urology Consumables Market Revenue Forecasts by Segments (US$ million), UK, 2018-2025F



Source: Frost & Sullivan Analysis

Growth Drivers for the UK and European Urology Market

- **Ageing population:** In the last decade most countries around the world have seen an increase in the proportion of their elderly population. The key driver for this growth is the aging population in the UK. The percentage of population above the age of 65 is expected to grow from 18.65% of the total population currently to 23.86% by calendar year 2040. An increasingly elderly population drives increase of urinary incontinence burden.

- **Innovation in Products:** The region witnessed a shift in patients from conventional product usages to compact IC usage in the last few years. This shift has driven a marginal increase in price of the products, accelerating market value growth. There is scope for further innovation in design and function in collection devices, resulting in significant growth runway as these products become more discreet and easy to use.

- **Changes in go-to market driving increase in realization:** Due to high degree of community usage, there has been an increase in the utilization of direct-to consumer marketing and home delivery models. The DAC channel growth has been accelerated by an increasingly aware customer base and has become a critical channel for companies in the market. The direct-to-consumer route is increasing the market value pie for medical device companies due to higher realizations in this channel versus institutional sales.

Competitive Trends in Urology Consumables Market in UK

The urology consumables market in the UK has been dominated by multinational market participants such as Coloplast, Becton Dickinson & Company (Bard), Hollister and Dentsply (Wellspect) whose focus has been on premium products. In the past five years, multiple independent medical device companies, including Healthium (Clinisupplies), have emerged and gained market share by providing high quality products at attractive prices.

Exhibit 5.3: Select Key Market Participants in the Urology Market, UK

Companies	**Details**
Becton, Dickinson & Company (C.R. Bard)	• C. R. Bard is a manufacturer and marketer of medical devices in various fields such as vascular, urology, oncology and other surgical specialties. • In the urology segment, the company produces a wide variety of products such as foley catheters, intermittent catheters and urine collection accessories • Becton Dickinson and Company, a global leader in medical technologies has acquired C. R. Bard in 2017, in order to enter the urology sector.

Coloplast A/S

- Coloplast is a diversified multinational market participant and is present in various segments such as continence care, ostomy care, wound & skin care and interventional urology.
- In the continence care segment, the company produces a wide variety of products such as catheters, urisheaths and urine bags.

Teleflex Incorporated

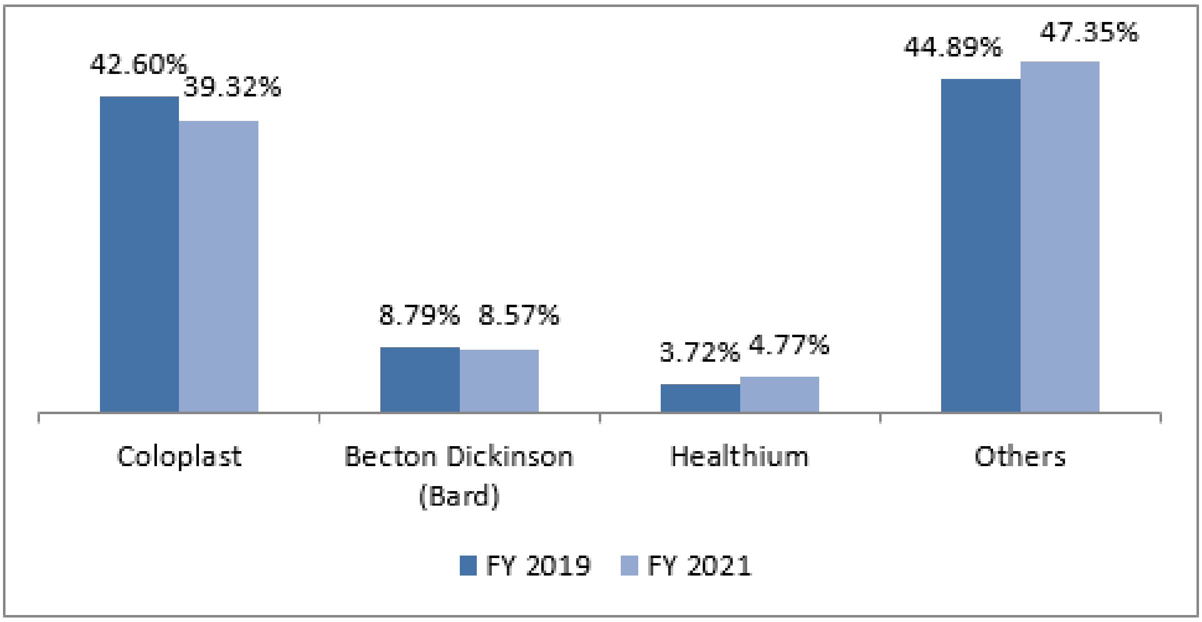
- Teleflex Incorporated, a global medical devices business headquartered in the United States of America, produces and sells products for procedures in critical care and surgery
- The company offers products such as intermittent catheters, indwelling catheters and Bladder management devices..

Healthium (Clinisupplies)

- Healthium is a company incorporated in India, which forayed in UK's urology market through the acquisition of Clinisupplies.
- Healthium is one of the largest independent medical device company and the third-largest company overall in the urology collection devices market in the United Kingdom with a 13.96% market share in fiscal year 2021.

Source: Company Websites, Frost & Sullivan Analysis

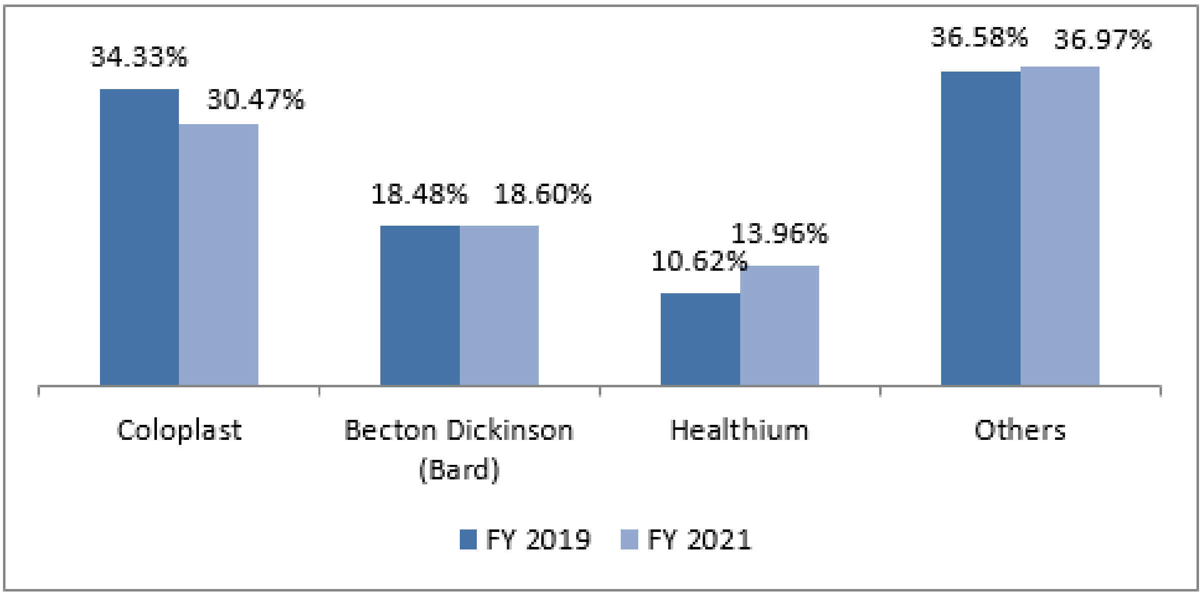
Exhibit 5.4: Market Share Analysis in the Urology Consumables Market by Revenue, UK, FY 2019 and FY 2021



Source: Frost & Sullivan Analysis

Coloplast accounted for 39.32% market share by value in the total UK urology consumables market in FY 2021. The market share of multinational market participants such as Coloplast and Becton Dickinson accounted for 51.38% of total UK market value in FY 2019 and declined to around 47.88% in FY 2021, thus highlighting the emergence of independent medical device companies such as Healthium (Clinisupplies), Great Bear and L.IN.C, providing quality and cost-effective products. These companies have succeeded in winning market share by succeeding in both hospital and community contracts and obtaining buy-in from both healthcare professionals and prescribers. Healthium increased their market share in the UK urology consumables market from 3.72% to 4.77% between FY 2019 and FY 2021. Healthium increased their market share in the UK collection devices market from 10.62% to 13.96% between FY 2019 and FY 2021.

Exhibit 5.5: Market Share Analysis in the Urology Collection Devices by Revenue Market, UK, FY 2019 and FY 2021



Source: Frost & Sullivan Analysis

SECTION VI: ARTHROSCOPY DEVICES MARKET

Overview of the Industry

Arthroscopy is a minimally invasive elective orthopedic surgical procedure, commonly used to treat joint problems including rotator cuff tendon tears, shoulder impingement and dislocation, meniscal cartilage tears, anterior cruciate ligament tears, and wrist carpal tunnel syndrome. Arthroscopy procedures are gaining prominence as they reduce trauma to the tissue and enable faster recovery.

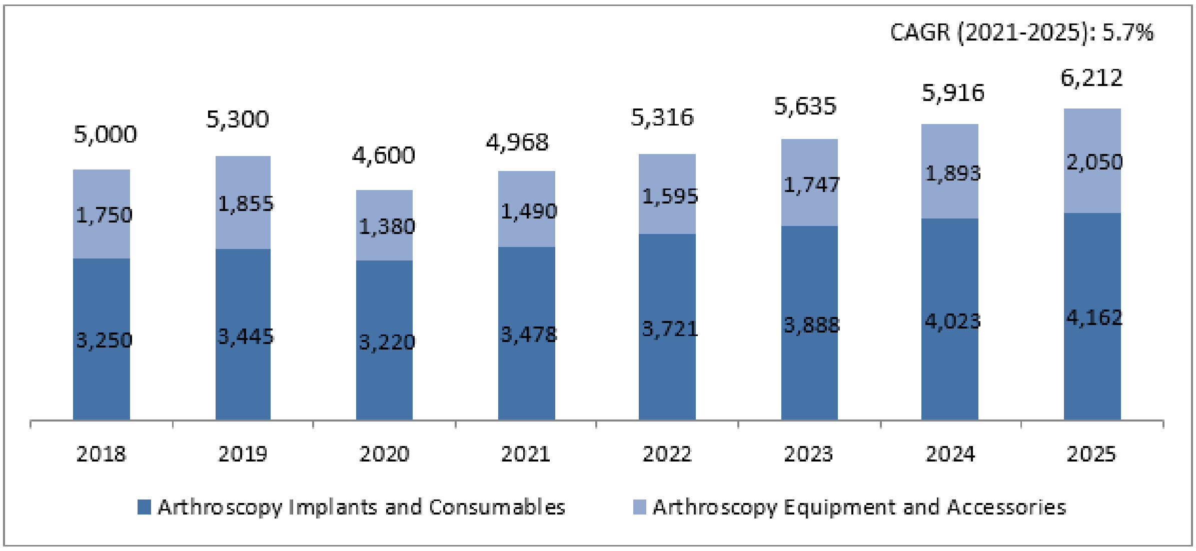
The arthroscopy devices market is broadly classified into two segments: arthroscopy equipment and accessories, and arthroscopy implants and consumables.

- The arthroscopy equipment and accessories segment includes monitors, arthroscopy camera systems, imaging systems, shaver consoles etc., and other accessories used along with this equipment during the procedure.
- The arthroscopic implants segment includes screws, plates, suture anchors etc. used during repair procedures. There are a wide range of implants for various applications and joint sizes.

Global Arthroscopy Devices Market

The global arthroscopy devices market was valued at US$ 4,600 million in 2020, and is estimated to reach US$ 6,212 million by 2025, growing at a CAGR (2021-25) of 5.7%. North America and Europe contribute to 55% of the market by value. The remaining 45% of the market is contributed by APAC and rest of the world.

Exhibit 6.1: Arthroscopy Devices Market Revenue Forecasts by Segments (US$ Million), Global, 2018-2025F



Source: Frost & Sullivan Analysis

The implant and consumables segment contributes to 70% of the total arthroscopy market by value. Knee implants contribute to c.40-45% of the implants and consumables segment by value, followed by shoulder implants at c.35-40% of the segment.

The equipment and accessories segment contributes to 30% of the arthroscopy market by value. In the mature markets such as North America and Europe, growth is driven by the replacement and upgradation of equipment. In emerging markets such as APAC, growth is driven by new sales, increasing number of arthroscopy centres and greater availability of competitively priced products.

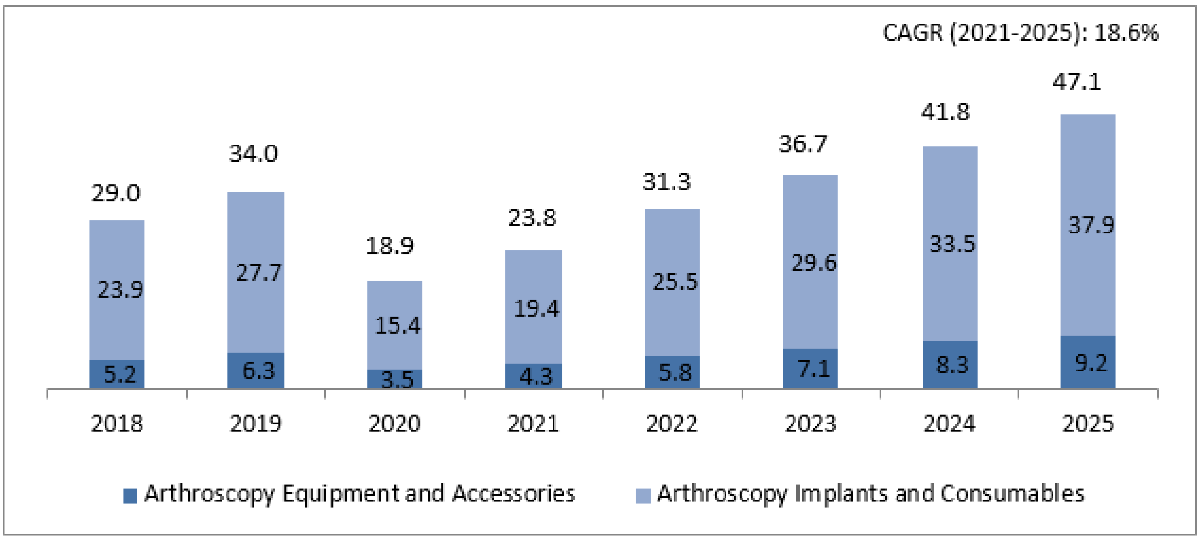
The arthroscopy market witnessed a 13% decline in 2020 due to postponement of elective surgeries during COVID-19. The arthroscopy equipment market witnessed a higher decline of 25.6%, as replacements and upgradation were delayed more significantly than sales of new implants and consumables.

Indian Arthroscopy Market Size and Segments

Arthroscopy accounting for 15-17% of total orthopedic procedures carried out in India, and is one of the fastest growing orthopedic procedures. These procedures have gained prominence in the last 5-7 years and are currently conducted by ~2,400 arthroscopic surgeons. Due to increasing relevance, these procedures are increasingly included as part of broader insurance coverage, which has accelerated growth.

The volume of arthroscopy procedures conducted is likely to triple in the next 5-6 years. Key drivers for growth of procedures include a growing base of arthroscopy centers and practicing specialists. The Indian arthroscopy devices market was valued at US$ 18.9 million in 2020, and is estimated to reach US$ 47.1 million by 2025, growing at a CAGR (2021-2025) of 18.6%.

Exhibit 6.2: Arthroscopy Devices Market Size (US$ Million), India, 2018-2025F



Source: Frost & Sullivan Analysis

The implants segment contributed to 82% (US$ 15.4 million) of the arthroscopy devices market by value in 2020. This segment has traditionally been dominated by multinational market participants, whose products are priced at 100-200% premium to most domestic peers. Domestic companies have been rapidly gaining share over the last few years as they have managed to develop quality products appealing to value conscious customers and payers, especially in tier-2+ cities. Select domestic market participants have been able to innovate and create international standard products (e.g. bio-resorbable products) at competitive prices.

Equipment segment contributed to 18% (US$ 3.5 million) of the arthroscopy devices market by value in 2020. This segment is dominated by multinational market participants and is largely an import driven segment.

Arthroscopy Market Trends in India

Procedure Trends

Arthroscopy has grown to become one of the major elective procedures in the country. Frost & Sullivan estimates that there are around 180,000 - 200,000 arthroscopy procedures conducted in the country annually. ACL and meniscal repair procedures account for 70% of the procedures conducted, followed by shoulder arthroscopy, accounting for 20% of arthroscopy procedures.

India has an annual incidence of more than 200,000 ACL injuries, however only 125,000-150,000 ACL arthroscopy procedures are conducted annually. These procedures have grown from 5,000-10,000 annual procedures in 2011-2012, driven by a narrowing procedure gap. This tailwind continues to drive strong growth in arthroscopy procedure volumes.

Practicing specialist trends

There are approximately 20,000 orthopedic surgeons in India, however only c.2,400 of those surgeons conducts arthroscopy procedures. The number of arthroscopy surgeons is growing and is expected to accelerate, as the number of arthroscopy surgeons trained each year is expected to grow by 50% by 2025.

Care Centre Trends

Frost & Sullivan estimates that over 60 % of the currently practicing arthroscopy surgeons are located in metros and tier-1 cities. However, the proportion of procedures in tier-2 and smaller towns has been increasing, driven by a growing base of practicing specialists and increasing investments in healthcare infrastructure in these towns.

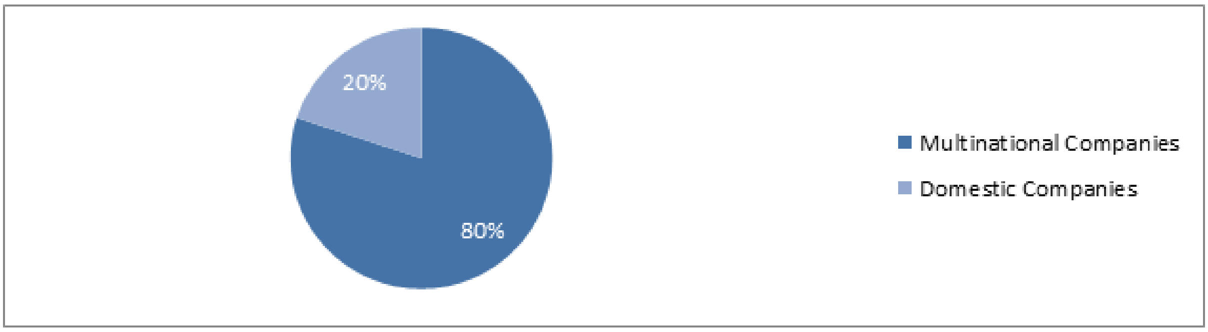
Growth Drivers for Arthroscopy Devices Market in India

- Increasing **focus on sports culture** and improved quality of training has led to the need for better injury management and arthroscopy procedures.
- **Increasing insurance penetration:** Total health insurance coverage in India is expected to touch 55% of total population by 2024-2025, from 36.5% in 2019-2020. Further, arthroscopy procedures are increasingly included in insurance coverage.
- **Increase in penetration of arthroscopy procedures in tier-2+ cities:** Significant public and private investments driving growth in smaller single specialty facilities across tier-2 and tier-3 cities. Many government initiatives are aimed towards delivering arthroscopy related services to tier-2+ cities, reducing supply gap. This is expected to be bolstered by increased surgeon training.
- **Rise of domestic manufacturers**: Emergence of domestic manufacturers with cost effective products are expected to expand the arthroscopy market in lower tier cities.

Competitive Landscape in the Arthroscopy Solutions Market in India

The Indian arthroscopy market is dominated by multinational market participants, who account for c.75-80% of the market by value. Key multinational market participants operating in India include Arthrex, Conmed, Smith & Nephew, Stryker and Zimmer Biomet and other market participants include Healthium, Biotek etc.

Exhibit 6.3: Arthroscopy Devices Market Share Split in % (By Value), India, 2020



Source: Frost & Sullivan Analysis

Domestic companies have been gaining share in the implants and consumables market by providing competitively-priced products. Over the past few years, select independent medical device companies have invested in creating innovative and differentiated products, which has helped these market participants gain share in the metro and tier-1 cities. Healthium has invested in creating its arthroscopy portfolio over the past few years, and have created a portfolio of over 300+ SKUs for knee and shoulder procedures, backed by 50+ patents applied and granted in the US and India. The company has built this differentiated portfolio by investing in building expertise in multiple areas (e.g. bio-absorbable materials) to create innovative products. Healthium is growing their arthroscopy portfolio steadily and approximately 13.00% of arthroscopy surgeons and use their products as on March 31, 2021. As a result, Healthium has gained market share in the arthroscopy market in between Fiscal 2019 and Fiscal 2021.

Arthroscopy Exports from India

Traditionally, few Indian companies have developed the expertise in manufacturing arthroscopy devices to international standards and exporting them to developed markets.

Healthium is currently in the process of obtaining US FDA and CE approval for their arthroscopy portfolio. This will enable them to address the US$ 3.48 billion North America and EU market for arthroscopy implants and consumables. In addition, they are also manufacturing semi-finished products for global multinational market participants.

OUR BUSINESS

The industry related information contained in this section is derived from a report titled "Independent Market Report on Surgical Devices & Medical Consumables Market in Select Geographies" dated September, 2021 prepared by Frost & Sullivan, and commissioned and paid by our Company in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. In this section, unless the context requires, references to "we", "us", "our" and similar terms are to Healthium Medtech Limited, on a consolidated basis. In this section, unless the context otherwise requires, references to "Clinisupplies" includes Clinisupplies and Clinidirect and references to "VitalCare" includes VitalCare, on a consolidated basis.

*Unless otherwise stated or unless context otherwise requires, all financial information of our Company used in this section has been derived from our Restated Financial Information. We acquired AbGel, VitalCare and CareNow on July 31, 2021, July 1, 2021 and August 31, 2021, respectively (collectively, the "**Acquisitions**") and we have included proforma consolidated balance sheet to illustrate the impact of the Acquisitions as at March 31, 2021 as if the Acquisitions occurred as at March 31, 2021. We have also included proforma consolidated statement of profit and loss for the year ended March 31, 2021 to illustrate the impact of the Acquisitions as if the Acquisitions occurred on April 1, 2020 under "Proforma Consolidated Financial Information" and "Risk Factors – The Proforma Consolidated Financial Information included in this Draft Red Herring Prospectus may not accurately reflect our future financial condition, results of operations, cash flows and business" on pages 320 and 40, respectively. For further details in relation to our CareNow acquisition, see "-CareNow" on page 165.*

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 23 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information – Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" beginning on pages 24, 207 and 293, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Overview

We are a global medtech company focused on products used in surgical, post-surgical and chronic care. Our vision is to deliver access to precision medtech products to every patient globally.

We operate across three key markets, namely, India, UK and rest of the world and four focus areas, namely, advanced surgery, urology, arthroscopy and wound care. One in five surgeries conducted globally uses a Healthium product as of March 31, 2021 (*Source: Frost & Sullivan Report*). Further, as of Fiscal 2021, we are:

- the largest independent medical device company and second-largest company overall, in the surgical consumables market in India with a 7.91% share based on value;
- the largest non-captive surgical needles manufacturer, with a 22.30% share in overall volume sales globally, and 45.41% share of the non-captive market; and
- one of the largest independent medical device companies and the third-largest company overall in the urology collection devices market in the UK, with a 13.96% market share.

(*Source: Frost & Sullivan Report*)

We have gained market share across our markets and focus areas between Fiscals 2019 and 2021, while improving profitability over this period. (*Source: Frost & Sullivan Report*)

We have a comprehensive product platform in our focus areas with over 52,000 SKUs addressing the varied needs of our customers and patients. Our portfolio includes:

- Surgical consumables:
    - Advanced surgery: wide range of surgical consumables including sutures, surgical needles, hemostats, staplers, surgical gloves and infection prevention products;
    - Wound care: range of tubular and support bandages. We have recently expanded our presence in this focus area through the acquisition of CareNow.
- Urology: wide range of products for managing incontinence, including indwelling and intermittent catheters, collection devices and a variety of supporting products; and
- Arthroscopy: range of implants and equipment for knee and shoulder arthroscopy procedures.

Please refer to *"-Description of our Business and Operations – Our Products"* and *"-CareNow"* on pages 150 and 165, respectively, for a detailed description of our product portfolio and our products acquired through our recent acquisition of CareNow.

We manage our business across three key markets, namely, India, UK and the rest of the world:

- *India:* We have extensive commercial presence and market access in India. As on March 31, 2021, we have the largest direct sales force among independent medical device companies in India. *(Source: Frost & Sullivan Report)* We have over 350 employees in our direct sales force as of July 31, 2021. As of March 31, 2021, our sales force covers over 40,000 surgeons across over 18,000 hospitals across India representing 40% of surgeons and 52% of hospitals in India. *(Source: Frost & Sullivan Report)* Our sales network reaches 90% of all districts in India which have secondary healthcare facilities, which were 523 as of 2020. *(Source: Frost & Sullivan Report)*

- *UK:* We have extensive commercial presence and market access in the UK. As on July 31, 2021, we have a direct sales force of 27 employees, supported by a team of 13 nurses to increase patient adoption of our products. Our contracts with NHS and listing on the UK Drug Tariff gives us access to hospitals and community care trusts. We also have the ability to deliver supplies directly to patients through our dispensing appliance contractor license ("**DAC license**").

- *Rest of the world:* We export our range of products to over 80 countries, including developed markets such as the US, UK, Germany and France, and developing markets in South America, Asia and Africa. We sell majority of our products under our brands. We have long-standing relationships with several marquee customers and distributors in these markets.

We compete primarily against large multinational corporations and various local players in each of our key markets and focus areas. We offer a comprehensive portfolio of quality products at compelling value and we believe this differentiates us from our competitors. Our quality and value proposition align us with the focus of healthcare stakeholders such as governments, hospitals, payers and surgeons on improving affordability of, and access to, quality healthcare. Further, we believe that our well-established corporate and product brands, and relationships with hospitals, surgeons and distributors create competitive advantages for our business.

The demand for our products is based on the volume of inpatient treatment and surgical procedures. The global market for products in our focus areas is expected to grow at a CAGR of 4.99% between 2021 and 2025 and estimated to be USD 28.75 billion in 2025. *(Source: Frost & Sullivan Report)* According to Frost & Sullivan, the key drivers for this growth are the aging population and increased incidence of lifestyle diseases across the world, and improving access to healthcare in developing markets. In particular, the market for surgical consumables and arthroscopy products in India is estimated to be USD 455.84 million in 2021 and estimated to grow at a CAGR of 9.60% between 2021 and 2025, driven by surgical volumes growing at 9.83% over this period. (*Source: Frost & Sullivan Report*) According to Frost & Sullivan, this growth is likely to be driven by improving access to surgical procedures in India, where the per-capita surgery rate is less than half of that in other similar developing markets (2,000 surgeries per 100,000 people compared to 4,500 surgeries per 100,000 people for other similar developing markets). This improved access to surgical procedures in India is expected to be enabled by increasing government and private sector spending on healthcare and development of healthcare infrastructure. (*Source: Frost & Sullivan Report*).

We look to expand our product portfolio by introducing new products in our focus areas and in adjacent areas. Since Fiscal 2018, we have sold 30 new products, which, according to Frost & Sullivan, have increased our total addressable market in India by USD 74 million as of Fiscal 2021. Our new product launches include a patented portfolio of arthroscopy products, mechanical staplers for endoscopic surgeries, and anti-microbial gloves. We also have a strong pipeline of 15 products at various stages of development across our focus areas. In addition, we have acquired businesses and products to expand our product portfolio. Our acquisition of Quality Needles, Clinisupplies, VitalCare, AbGel and CareNow have enabled us to add a variety of products to our portfolio and further deepen our customer relationships.

We have obtained a number of patents for our proprietary products. As of July 31, 2021, we have 21 patents in India and 11 patents in the United States, and a further 22 and six patent applications pending approval in India and US, respectively. Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, US and Europe and one patent application pending for approval in India.

We have eight manufacturing facilities of which seven are located in India and one is located in China. We have a strong focus on quality, and several of our facilities have different global accreditations and registrations, including with US FDA, TGA and ISO. In particular, we were the first Indian Class III medical device company to receive US FDA registration for one of our manufacturing facilities. *(Source: Frost & Sullivan Report)* Further, we are the only company in India with a CE-certified surgical needles manufacturing facility as on March 31, 2021. *(Source: Frost & Sullivan Report)* Our manufacturing facilities employ technology that we have largely developed in-house to ensure high quality and to allow for extensive customization of our products to meet our customers' diverse needs. For further details, please see *"- Description of our Business and Operations – Manufacturing Facilities"* on page 154.

We have demonstrated strong financial performance with accelerated growth, an increase in our revenue from operations, restated profit before tax and restated profit for the year and improved margins. Our revenue from operations grew at a CAGR of 10.52% between Fiscals 2019 and 2021. We continued our growth journey in Fiscal 2021, and we were able to increase our revenue from operations and EBITDA by 11.61% and 61.06%, between Fiscal 2020 and Fiscal 2021, respectively, despite the negative effects of the COVID-19 pandemic on the overall economy, and particularly on surgical volumes.

Some of our key financial and non-financial benchmarks in the last three Fiscals are as follows:

	Fiscal ending March 31,		
	2019	***2020***	***2021***
Revenue from operations (₹ million)	5,840.20	6,391.79	7,133.57
Restated profit before tax (₹ million)	243.04	578.81	1,130.33
Restated profit for the year (₹ million)	137.31	367.60	854.28
Gross margin[1] (%)	65.26%	65.89%	62.33%
EBITDA[2] (₹)	544.27	955.74	1,539.27
EBITDA margin[3] (%)	9.32%	14.95%	21.58%
ROE[4] (%)	3.57%	10.98%	21.57%
ROCE[5] (%)	6.45%	16.08%	22.98%
Cash conversion cycle (in days)[6]	219	171	139
Net cash flow from operating activities (₹ million)	514.38	589.24	1,221.29
Net cash flows from/ (used in) operating activities / EBITDA (%)	94.51%	61.65%	79.34%

1. *Gross margin is calculated as revenue from operations less cost of raw material and components consumed, less purchase of traded goods, less (increase)/decrease in inventories of finished goods, work-in-progress and traded goods divided by Revenue from operations.*
2. *EBITDA is calculated as Restated profit for the year plus income tax expense, plus depreciation and amortization expense, plus finance costs, less finance income.*
3. *EBITDA margin is calculated as EBITDA / revenue from operations.*
4. *RoE is calculated as Restated Profit for the year / adjusted total equity (total equity less goodwill).*
5. *RoCE is calculated as EBIT (EBITDA less depreciation and amortization expense) divided by adjusted capital employed (total assets less goodwill less current liabilities).*
6. *Cash conversion cycle is days sales outstanding plus inventory days on hand less days payable outstanding.*

Our overall growth and financial performance are driven by our management team that has extensive experience in the healthcare industry globally. Our Board is comprised of Directors with substantial experience in managing, advising and investing in healthcare companies.

Strengths

We are a leading medtech company with global reach, and are well-positioned to benefit from favorable industry dynamics in high growth markets

We are a leading medtech company with global reach and one in five surgeries conducted globally uses a Healthium product as of March 31, 2021 *(Source: Frost & Sullivan Report)*. Further, as of Fiscal 2021, we are a market leader in the surgical consumables market in India, the global surgical needles market, and the urology collection devices market in UK *(Source: Frost & Sullivan Report)*. For further details, see *"-Overview"* on page 141.

In addition, according to Frost & Sullivan, as of Fiscal 2021, we are (i) the largest independent medical device company and second-largest company overall in the sutures market in India, with a 28.09% share based on volume sold; and (ii) the largest exporter of sutures from India with over 51.66% share of exports by value.

We serve growing markets across our focus areas of advanced surgery, urology, arthroscopy and wound care. The global market for products in our focus areas is expected to grow at a CAGR of 4.99% between 2021 and 2025 and estimated to be USD 28.75 billion in 2025. (*Source: Frost & Sullivan Report*) According to Frost & Sullivan, the key drivers for this growth are the aging population and increased incidence of lifestyle diseases across the world, and improvement of access to healthcare in developing markets.

We compete against large multinational corporations and several fragmented local players in each of our focus areas and key markets. We believe we are well-positioned in this competitive environment given our focus on portfolio breadth, quality, value and the reach of our sales network. These attributes have enabled us to gain share across our focus areas and key markets.

We have a well-established corporate brand and product brands across our focus areas which are recognized by our customers, hospitals, and surgeons. This enables us to develop a broader customer base and deepen our customer relationships, which in turn enables us to drive uptake for our new products. Specific growth drivers in each of our key markets and favorable market dynamics include:

India

The Indian surgical market is highly underpenetrated, with 2,000 surgeries per 100,000 people as compared to other emerging markets at 4,500 surgeries per 100,000 people. *(Source: Frost & Sullivan Report)* The improving access to healthcare, driven by increasing government spends, growing healthcare infrastructure and rising income levels, is expected to result in growth of surgery volumes at a CAGR of 9.83% between 2021 and 2025 (*Source: Frost & Sullivan Report*). Further, Frost & Sullivan expects the healthcare infrastructure to grow faster in Tier 3 and smaller cities over the next three to four years. As on March 31, 2021, Tier 3 and smaller cities represents 57.08% of our revenue from India *(Source: Frost & Sullivan Report)*. We increased our market share in the Indian surgical consumables market from 6.80% to 7.91% between Fiscals 2019 and 2021. (*Source: Frost & Sullivan Report*)

In India, we believe we are well-positioned to benefit from the Government's focus on (i) improving access to quality healthcare through various schemes including Ayushman Bharat and schemes run by state governments; and (ii) driving increased local production in line with the Government's vision of "Make in India".

UK

The urology consumables market in the UK is expected to grow at a CAGR of 4.60% between 2021 and 2025. (*Source: Frost & Sullivan Report*) The key driver for this growth is the aging population in the UK. The percentage of the population above the age of 65 is expected to grow from 18.65% of the total population currently to 23.86% by calendar year 2040 *(Source: Frost & Sullivan Report)*. According to Frost & Sullivan, the urology consumables market in the UK grew at a CAGR of 3.02% between Fiscal 2019 and 2021. We increased our market share in the UK urology consumables market from 3.72% to 4.77% between Fiscals 2019 and 2021. (*Source: Frost & Sullivan Report*) We increase our market share in the UK collection devices market from 10.62% to 13.95% between Fiscals 2019 and 2021. Our revenues from UK geographical segment, as per Ind AS 108, grew at a CAGR of 17.25% in the same period.

Rest of the world

The global market for products in our focus areas is expected to grow at a CAGR of 4.99% between 2021 and 2025 and estimated to be USD 28.75 billion in 2025. *(Source: Frost & Sullivan Report)* The demand for products in our focus areas is based on the volume of inpatient treatment and surgical procedures which are expected to grow at a CAGR of 5.11% between 2021 and 2025.*(Source: Frost & Sullivan Report)*

We believe that we are well positioned to benefit from increased focus of various governments and payers on expanding access and reducing healthcare costs, while improving the reliability of the supply chain. This focus is driving a shift in the market from higher-cost products supplied by multinational corporations, to high quality, value products supplied by independent medical devices companies. *(Source: Frost & Sullivan Report)* Further, according to Frost & Sullivan, the introduction of EU MDR regime will increase the barriers to entry in this market and drive consolidation of market share. We have been investing in clinical trials since Fiscal 2020 in order to address the regulatory requirements under EU MDR. In addition, we believe we are well positioned to benefit from supply chain diversification by global medical device customers post disruptions due to COVID-19 pandemic. We have international certifications and country registrations, as well as long-standing distributor and customer relationships, which will allow us to benefit from these changes.

We have an innovative and comprehensive product suite driven by our focused research and development efforts, and have a proven track record of commercializing our products

We have a diversified product portfolio in our focus areas of advanced surgery, urology, arthroscopy and wound care. We have over 52,000 SKUs across different products, which enables us to cater to a wide variety of procedures and applications. Please refer to *"-Description of our Business and Operations – Our Products"* and *"-CareNow"* on pages 150 and 165, respectively, for a detailed description of our product portfolio.

We place a strong focus on research and development, aimed at further expanding our product portfolio in our focus areas and selectively entering adjacent areas. For example, we designed and developed a portfolio in an adjacent area linked to our existing product suite, namely arthroscopy. The key features of our arthroscopy portfolio are as follows:

- we designed and developed the patented portfolio in-house starting in Fiscal 2017, and it now includes over 300 SKUs covering knee and shoulder procedures of which 23 SKUs are proprietary products; and
- we have successfully commercialized this portfolio in India with approximately 13.00% of arthroscopy surgeons in India using our products as on March 31, 2021. *(Source: Frost & Sullivan Report)*;

Our product development initiatives are focused on meeting the requirements of our customers by identifying their needs and addressing the gaps in market relating to our focus areas. We have sold 30 new products since Fiscal 2018 and according to Frost & Sullivan, these products increased our total addressable market in India by over USD 74 million as of Fiscal 2021. Examples of our recent product launches that address surgeons' needs and improve patient outcomes include:

- first barbed sutures in India with a triangle stopper which helps in faster wound closure; *(Source: Frost & Sullivan Report)*
- ligating clips with an innovative, patent-pending, design which provides a secure grip in surgeries; *(Source: Frost & Sullivan Report)*
- patented sutures which help prevent post-partum hemorrhage, a leading cause of maternal mortality in India; *(Source: Frost & Sullivan Report)* and
- India's first and only domestically manufactured anti-microbial gloves which enhance patient and surgeon safety by preventing the spread of infections through a non-leaching antimicrobial technology. *(Source: Frost & Sullivan Report)*

Our robust commercialization capabilities are driven by a dedicated sales force which engages extensively with surgeons and nursing staff. Our sales force has product expertise to train our customers in the effective usage of our products and to drive adoption of new products.

We also have 15 products at various stages of development across our focus areas. Our product development is driven by our cross-functional team which regularly engages with our customers and key opinion leaders. For instance, our ligating clips were designed and developed at our dedicated research and development center in Noida, Uttar Pradesh based on extensive input and testing by our commercial, quality and clinical affairs team based at our manufacturing facility in Bengaluru, Karnataka.

We have also devoted significant resources to develop, protect and defend our intellectual property. As of July 31, 2021, we have 21 patents in India and 11 patents in the United States, and a further 22 and six patent applications pending approval in India and US, respectively. Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, US and Europe and one patent application pending for approval in India. Additionally, as on March 31, 2021, there are several unique products used in surgical and post-surgical care, such as certain arthroscopy products, sutures to prevent post partum hemorrhage, barbed sutures with a triangle stopper and anti-microbial gloves, for which we are the sole Indian manufacturer. (*Source: Frost & Sullivan Report*)

We believe we can bring our focus on high-quality product innovation to benefit surgeons, patients and health systems around the world that are increasingly focused on medical products that deliver innovation, quality and value.

We have an extensive sales network and market access across our focus areas with long-standing relationships with our customers

We have an extensive sales network and comprehensive market access across our various markets. The scale and reach of our sales network across our key markets enables us to effectively market and distribute our products. Our sales teams and network are set up keeping in mind the requirements of the local market and our target customers in each location. Our network is set up as follows:

India

As on March 31, 2021, we have the largest direct sales force among independent medical device companies in India. *(Source: Frost & Sullivan Report)* We have over 350 employees in our direct sales force as of July 31, 2021. As of March 31, 2021, our sales force covers over 40,000 surgeons across over 18,000 hospitals across India representing 40% of surgeons and 52% of hospitals conducting surgical procedures in India *(Source: Frost & Sullivan Report)*. Our sales representatives are trained in the usage and features of our products and are able to demonstrate the features and benefits of our products to surgeons. In addition, we have over 25 fulfilment centers and over 1,200 stockists in India as on March 31, 2021, which enables us to ensure timely delivery of our products to our customers. Our sales network reaches 90% of all districts in India which have secondary healthcare facilities, which were 523 as of 2020. *(Source: Frost & Sullivan Report)*

We have a balanced footprint across India, with a deep presence in tier 3 and smaller cities. Frost & Sullivan expects the healthcare infrastructure to grow faster in Tier 3 and smaller cities over the next three to four years, driving faster growth in demand for our products in these cities. In Fiscal 2021, tier 1 and tier 2 cities contributed to 42.92% of our revenue from India, while tier 3 and smaller cities contributed to 57.08%. We are a supplier to several leading corporate hospital chains such as Apollo Specialty Hospitals and Yashoda Healthcare Services Private Limited. We believe our extensive sales network in India contributes to a wider reach and is a key differentiator for our business.

We have invested in digital technology to improve effectiveness of our sales force and deepen our customer relationships. For instance, we have geographically mapped our hospital customers through our CRM system, which (i) allows us to track the interactions with customers and surgeons; and (ii) provides our sales force access to information on a real-time basis. We also have a structured program for customer training and skill upgradation, which is supplemented by our presence on social media platforms.

UK

In the UK, our commercial presence ensures that we are available to serve the needs of the patient through our urology products across the entire patient care journey from the hospital to at home care:

- Our contracts with the NHS give us access to the NHS hospital network where the patient journey with us commences when our products are utilized in the hospital wards.
- We have a strong presence in the local community formulary listings with our urology products also listed on the UK Drug Tariff. This also ensures that the patient continues to have access to our urology products through repeat prescription.
- We hold a DAC license which enables us to provide our products to patients through home care delivery, after they have been discharged from the hospital.
- As on July 31, 2021, we also have a direct sales force of 27 employees, supported by clinical nurse team of 13 employees to increase patient adoption of our products.

We also supply our urology and wound care products to the pharmacy network. Additionally, we have an emerging presence in the wound care market in the UK (i) with our wound care portfolio listed on the NHS drug tariff reimbursement system; and (ii) through our contracts with the NHS giving us access to the NHS hospital network.

Rest of the world

We sell a range of products in over 80 countries including developed markets such as the US, UK, Germany and France and developing markets in South America, Asia and Africa. In developed markets, we primarily sell our products under our own brand and manufacture under private labels for select customers. In developing markets, we primarily sell our products under our own brand through partnerships with distributors. We also have a direct sales force in select countries in the Asia Pacific region such as Australia, Malaysia, Bangladesh and Nepal.

We have long-term relationships with several customers and distributors. These customers include Resorba Medical GmbH, Alto Development Corporation, Tagumedica S.A. and Synthecon Sutures Manufacturing SA cc, and distributors include DKSH and Abacus Pharma (A) Limited. Our revenue from operations from top 15 customers constituted 38.62%, 42.47% and 39.50% of our revenues from operations from the rest of the world for Fiscals 2019, 2020 and 2021, respectively. We believe that we have been able to maintain long-term relationships with our customers due to the quality of our products, shorter lead times, better customer service, value offering and consistency of our product delivery.

We have high precision, integrated and scaled manufacturing facilities with global certifications

We have eight manufacturing facilities of which seven are located in India and one is located in China. These facilities have the capability to manufacture a wide variety of products including sutures, needles, bandages and collection devices. We believe that our vertically integrated business model brings us significant advantages including ensuring end-to-end control over our supply chain, allowing for extensive customization, and maintaining a competitive cost structure. For further details in relation to capacity and capacity utilization of our manufacturing facilities, see "- *Description of our Business and Operations – Capacity and Capacity Utilization*" and "-*CareNow*" on pages 155 and 165, respectively.

Our manufacturing facilities extensively employ technology that we have largely developed in-house to ensure high quality and to allow for customization of our products to meet our customers' diverse needs. We also place a strong focus on regularly upgrading product quality. For instance, we were the first medical technology company in India to use a laser drilling process in needle manufacturing, which enables us to produce smaller needles with precise dimensions and consistent quality. *(Source: Frost & Sullivan Report)*

Our manufacturing facilities are subjected to rigorous quality control checks, accreditation requirements and periodic inspections from various regulatory agencies that have issued certifications. Several of our facilities have different global accreditations and registrations, including with US FDA, TGA and ISO. We were the first Indian Class III medical device company to receive US FDA registration for one of our manufacturing facilities. *(Source: Frost & Sullivan Report)* Further, we are the only company in India with a CE-certified surgical needles manufacturing facility as on March 31, 2021. *(Source: Frost & Sullivan Report)*. The accreditation of our manufacturing facilities is an essential requirement for our products to be used in the treatment of patients and sales of products in markets globally.

We believe that our manufacturing facilities position us well to capture future market growth and our commitment to operational excellence aimed at delivering high quality value driven products allow us to remain an industry leader.

Our manufacturing capabilities are supplemented by our regulatory and vigilance capabilities. We have a regulatory affairs team that has a comprehensive understanding of regulations and norms for various certifications and is capable of monitoring regulatory developments in various regions for health authority submissions and market approvals. We also have a robust vigilance system which is in compliance with the regulatory requirements applicable for monitoring products marketed across the world.

We have a proven track record of driving inorganic growth and successfully integrating acquired businesses

While we expand our product suite and market access to drive organic growth, we also pursue inorganic growth opportunities by acquiring businesses that help expand our product portfolio in our focus areas and adjacent areas. We have over time executed a number of acquisitions, and successfully integrated and grown the acquired businesses:

- In Fiscal 2016, we acquired Clinisupplies to expand and diversify our geographic reach as well as expand our product portfolio by gaining a presence in the urology market. In Fiscal 2021, Clinisupplies was one of the largest independent medical device companies in the urology collection devices market in the UK and its market share increased in the UK collection devices market from 10.62% to 13.96% between Fiscals 2019 and 2021. (*Source: Frost & Sullivan Report*)

- In Fiscal 2017, we acquired Quality Needles to drive vertical integration for our advanced surgery portfolio, and grow our market share in the surgical needles segment globally. Following the acquisition, we increased the manufacturing capacity and strengthened the management team of Quality Needles, which has enabled us, among other things, to become the largest non-captive surgical needle manufacturer globally in Fiscal 2021. (*Source: Frost & Sullivan Report*) We have increased our market share in the needles business globally to 22.30% in Fiscal 2021 as compared to 16.90% in Fiscal 2019. (*Source: Frost & Sullivan Report*)

These acquisitions helped us realize synergies through cost optimization, vertical integration, expansion of geographies and expansion of product portfolio and product enhancements.

In Fiscal 2022, we completed the acquisition of AbGel, VitalCare and CareNow. AbGel is a leading gelatin sponge brand in India as on March 31, 2021, according to Frost & Sullivan, and is a valuable addition to our advanced surgery portfolio which we expect to grow by leveraging our sales network. VitalCare is a private label manufacturer of urology and bowel products catering to multiple developed markets across US, Europe, Australia and Asia. It has a US FDA registered manufacturing facility near Nanjing, China. The addition of VitalCare is expected to (i) expand margins by providing end-to-end control over our supply chain, (ii) expand geographical footprint for our urology portfolio, particularly in the US and EU, and (iii) boost our research and development capabilities in urology. The acquisition of CareNow has helped expand our wound care portfolio with its patented products. For further details, please see *"-CareNow"* on page 165.

We believe we can leverage the recent acquisitions to drive growth in various markets, including in the US and key EU markets. Our track record of acquisitions and integration of businesses is demonstrated by the expansion of our product platform, entry into new markets and enhanced manufacturing capabilities.

We have a proven track record of robust financial performance

We have a track record of robust financial performance. From Fiscal 2019 to Fiscal 2021, we have increased our revenue from operations ₹ 5,840.20 million to ₹ 7,133.57 million at a CAGR of 10.52%, EBITDA from ₹ 544.27 million to ₹ 1,539.27 million at a CAGR of 68.17% and restated profit for the year from ₹ 137.31 million to ₹ 854.28 million at a CAGR of 149.43% while our EBITDA margin was 21.58% and our PAT margin was 11.98% in Fiscal 2021. This performance has been driven by a focused strategy, differentiated product portfolio, and operational excellence.

We have been able to drive sustained growth while expanding our profit margins and improving our free cash flow. We have reduced our cash conversion cycle from 219 days in Fiscal 2019 to 139 days in Fiscal 2021. COVID-19 pandemic negatively impacted the overall economy and particularly resulted in global surgical volumes declining by 15.00% in 2020. *(Source: Frost & Sullivan Report)* Despite the negative impact, we were able to increase our revenue from operations by 11.61% from Fiscal 2020 to Fiscal 2021.

We have an experienced and diverse senior management team supported by Quinag, our majority shareholder, ultimately owned by funds advised by Apax

We have a seasoned professional leadership team, consisting of our Chief Executive Officer, Chief Finance Officer and Key Managerial Personnel. They are supported by experienced senior managers who have extensive industry knowledge and have been associated with us as well as with leading multinational companies in India and outside India for a long period of time. For further details, see "*Our Management*" on page 185.

Our management team has demonstrated its ability to develop and execute a focused strategy to grow our business, enabling us to strengthen our market position and deliver robust financial performance. We believe that the industry knowledge and leadership of our executive leadership team, combined with their extensive experience, provide us with a competitive advantage and are instrumental in enabling us to attract high-quality talent, drive implementation of our strategy and achieve of our long-term objective of delivering sustainable growth across our business.

Our Board is comprised of Directors with substantial experience in managing, advising and investing in healthcare companies.

Our Promoter is ultimately owned by funds advised by Apax Partners LLP ("**Apax**"). Apax is a leading global private equity advisory firm and has raised and advised funds with aggregate commitments of more than USD 60 billion. These funds invest in companies across four global sectors of healthcare, technology, services and internet/consumer, and provide long-term equity financing to build and strengthen world-class companies.

The funds advised by Apax have a strong track record of investing in the healthcare sector, having committed over USD 8 billion of equity and completed approximately 90 investments across multiple geographies, including the United States, Europe and Asia. Apax is able to draw on its decades of investment experience and global reach to identify attractive opportunities in the healthcare sector and partner with management teams to accelerate value creation.

Our strategies

We believe we have a large opportunity in our markets and focus areas given our differentiated value proposition of providing high-quality, innovative products at compelling value.

Our business strategy is aimed at exploiting this opportunity by (i) deepening and expanding our geographical presence and market access to expand our customer base, (ii) expanding our product portfolio to deepen our customer relationships; and (iii) focusing on operational excellence to continue to deliver superior value to our customers. We view acquisitions as a core pillar of our strategy and plan to continue to leverage acquisitions to accelerate achievement of our strategic goals.

Deepen and expand our geographical presence

We aim to deepen our reach and expand our presence across our markets to consolidate our existing leadership position and grow our business in new markets. We believe that direct customer access is critical to our success and we aim to strengthen this by growing our geographical footprint and market access in existing markets and select new markets.

India expansion

In the growing Indian surgical consumables market, we aim to expand our market share by expanding our hospital access and product portfolio. We aim to expand our sales force to increase our hospital coverage over the next few years. Further, as we expand our portfolio through research and development initiatives and acquisitions, we intend to focus our sales efforts to drive sales of our broader portfolio to hospitals in India.

International markets

<u>UK</u>

In the UK, we have a strong presence in the urology consumables market. We aim to expand our reach in the community by leveraging on our DAC license to drive growth. We will continue to invest to expand our sales force and nurse team to onboard new customers. Further, we intend to expand our presence in the surgical consumables and wound care market in UK by leveraging our relationships with the NHS, hospitals and other stakeholders.

<u>Rest of the world</u>

We believe that our scaled, flexible and lean manufacturing capabilities, and international certifications and registrations position us well in the international markets. We have a focused strategy for the developed and developing markets:

- U.S.
  - establish a focused sales team to cover large target customers and distributors, and offer our private label offerings across our focus areas to U.S. companies looking to diversify their supply chains.
- Europe:
  - expand our relationships with large European customers across our focus areas, as companies look to bolster their supply chains to compete under EU MDR; and
  - expand our urology business into Europe by leveraging our market position in the UK and strong manufacturing capabilities through the acquisition of VitalCare.
- Developing markets:
  - enter new markets especially in South America and the CIS region by appointing new distributors; and
  - establish on-ground presence in select high-potential markets in the APAC region, in order to expand our market share.

Expand our product portfolio

We aim to enhance our value proposition to our customers by expanding our product portfolio. Our focus is to (i) provide a complete range of products in our focus areas; and (ii) selectively expand our product portfolio in adjacent areas. We believe this will enable us to grow our business by providing customers with a wider range of high-quality products.

We have a robust process for prioritizing new products for development, and capabilities to develop and launch differentiated products. We primarily launch products in India due to our ability to register our products in a timely and efficient manner and our deep market access and expand into other markets over a period of time after obtaining authorizations from the relevant governmental agencies.

Over the next few years, our key priorities across our focus areas are:

- expansion of our advanced surgery portfolio and obtaining key marketing authorizations (CE and US FDA), including for our recently acquired products. We aim to complete clinical trials for our product portfolio to ensure that our products launched in the EU comply with the EU MDR regime. According to Frost & Sullivan, the introduction of EU MDR regime will increase the barriers to entry in this market and drive consolidation of market share;

- obtaining key marketing authorizations for our arthroscopy portfolio, which will enable us to address the US and EU markets for these products;

- development of our range of compact intermittent catheters which will help expand our urology portfolio and enable us to address a large market opportunity across the UK, EU and other developed markets. These products have an addressable market of USD 218.32 million in the UK in 2020 and are likely to grow at a CAGR of 3.9% between 2021 and 2025 and estimated to be USD 277.87 million in 2025 *(Source: Frost & Sullivan Report)*; and

- commercialization of the patented wound care portfolio in India and rest of the world.

For further details in relation to our product development, see *"-Description of our Business and Operations – Research and Development"* on page 159.

Continue to grow our business inorganically through acquisitions to consolidate in fragmented markets

We compete primarily against large multinational corporations and several fragmented local players in each of our focus areas and key markets. We believe that our market access and management depth positions us well to target inorganic growth opportunities. We aim to continue to execute acquisitions to expand our product portfolio with high-quality, innovative products, and drive accelerated growth by leveraging our market access. We aim to focus our efforts on the following types of businesses:

- established products in our key markets and focus areas, and select adjacent areas;

- innovative technologies aligned with our aim to provide high-quality products at compelling value; and

- manufacturing capabilities with robust quality systems and global certifications.

We have completed three acquisitions in Fiscal 2022 and will continue to evaluate acquisition opportunities on an ongoing basis. We intend to utilize ₹ [●] million from the Net Proceeds towards potential acquisitions and strategic initiatives. For further details, see "*Objects of the Offer*" on page 86.

Focus on continuous improvement of key operational metrics

While our primary strategic focus is on growth, we have a disciplined approach to drive continuous improvement in our key operational metrics and financial performance through productivity improvement, cost optimization and other measures. Over the past three years, we have implemented a number of initiatives including upgrading our ERP systems, automating production planning and personnel management and introduction of artificial intelligence based predictive analysis for better working capital management. We aim to invest ₹ 267.92 million from our Net Proceeds in our Subsidiary, Quality Needles to fund the purchase of capital equipment in order to meet its technological requirements. For further details, see "*Objects of the Offer*" on page 86.

We are also focused on increasing the levels of digitization in our operations. We have implemented a CRM system that allows us to track and monitor our sales force and distribution channel, and map it to our entire network of customers across India. This allows us to improve the efficiency of our sales team by tracking sales visits, orders and other parameters on a real time basis. In the UK, we have integrated our CRM system with the web-based ordering system which will enable us to closely engage with our DAC customers.

We believe that our investments in strengthening our team and upgrading our systems and processes will enable us to achieve our growth objectives while improving our profitability.

Description of our Business and Operations

We are primarily engaged in the designing, manufacturing, marketing and sale of products used in surgical, post-surgical and chronic care in the following focus areas: advanced surgery, urology, arthroscopy and wound care. As of Fiscal 2021, we are a market leader in the surgical consumables market in India, the global surgical needles market and the urology collection devices market in UK. For further details, see *"-Overview"* and *"-Strengths – We are a leading medtech company with global reach, and are well-positioned to benefit from favorable industry dynamics in high growth markets"* on pages 141 and 143, respectively.

We have an extensive sales network and comprehensive market access in India, UK and rest of the world. For further details, see *"-Description of our Business and Operations – Sales Network and Market Access"* on page 158. We are a vertically integrated player with eight manufacturing facilities of which seven are located in India and one is located in China. We believe that our business model brings us significant advantages including ensuring end-to-end control over our supply chain, allowing for extensive customization, and maintaining a competitive cost structure.

Our Products

We have a comprehensive portfolio of products across our focus areas, to meet the varied needs of surgeons and other healthcare professionals. We primarily sell our products under our own brands like "Tru", "QN", "Q-Close", "Sironix" and "Prosys".

Our diversified product portfolio spreads across the following focus areas:

<u>*Surgical consumables*</u>

- *Advanced surgery*

Our advanced surgery portfolio includes a wide range of surgical consumables such as sutures, surgical needles, ligating clips, hemostats, meshes, surgical staplers and surgical gloves including anti-microbial gloves. We sell our advanced surgery products primarily under our own brand names in India and the international markets.

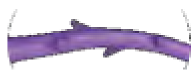
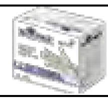
The following table sets forth the different types of products in our advanced surgery portfolio along with their usage and range of SKUs:

Product	**Types**	**Usage**	**SKUs** ***(as on July 31, 2021)***
Sutures	Natural and synthetic sutures with absorbable and non-absorbable properties.	The sutures are used in a wide variety of surgeries including childbirth, plastic surgery, coronary artery bypass graft, gastro-intestinal and surgical oncology procedures.	18,000
Surgical needles	Channel type, drilled end, eyed and specialty needles. Surgical needles are manufactured using specialized steel alloys. We have a wide range of needles ranging from 120 to 1,800 micron in diameter and with a variety of curvatures and points in order to address specific needs of surgeons and a wide variety of tissue types.	The surgical needles are used across the full breadth of surgical applications such as general surgery, cardiovascular, ophthalmic, dental, plastic, neuro, veterinary and other applications.	30,000[(1)]
Ligating clips	The ligating clips are manufactured using advanced materials such as medical grade titanium.	Ligating clips are used in surgery for vessel closure as well as for marking purposes. Our ligating clips have a unique knurling design for a more secure grip.	145
Hemostats	Gelatin sponge, bone wax and oxidized re-generated cellulose.	Hemostats are used to stop excessive bleeding during surgeries.	
Meshes	Different types of polypropylene meshes and second generation titanium coated	Mesh is used as a scaffolding to strengthen the tissue during a	

Product	Types	Usage	SKUs *(as on July 31, 2021)*
	meshes.	hernioplasty procedure.	
Surgical staplers	Variety of cutters and staplers used for broad range of surgeries and topical skin closure.	Staplers are used for complex surgical oncology procedures, hemorrhoidectomy, and topical skin closure in surgeries.	
Surgical gloves	Anti-microbial, powdered and powder free latex surgical gloves.	The surgeons and surgical team use sterile surgical gloves to ensure sterility and aid in prevention of infections.	

(1) This includes surgical needles used for captive manufacture of other products as well as surgical needles sold to our customers.

The following table sets forth differentiated products under our advanced surgery portfolio:

Brand name	Characteristics	Certification	Image
TruBarb	Knotless synthetic absorbable suture with a triangular stopper for faster wound closure and better tissue fixation. We are the only Indian manufacturer of this suture as of March 31, 2021. *(Source: Frost & Sullivan Report)*	CDSCO, CE	
COMOC-MG	Patented suture to prevent post-partum hemorrhage which is a cause of deaths of birthing mothers in India, as per Frost & Sullivan.	CDSCO, CE	
TruSteel	Laser welded steel sutures used in cardiac surgeries for superior penetration and less tissue trauma.	CDSCO, CE	
TruShield	Proprietary anti-microbial powdered gloves with non-leaching technology.	-	

For the Fiscals 2019, 2020 and 2021, we manufactured over 265.23 million, 289.33 million and 331.86 million of advanced surgery products, respectively.

- *Wound Care*

Our wound care portfolio includes tubular and support bandages. We have expanded our wound care portfolio through the acquisition of CareNow. For further details in relation to the products added to our wound care portfolio pursuant to the acquisition of CareNow, see "-*CareNow*" on page 165.

We sell our wound care products under various brands including Clinipore and Clinifast. We have over 90 SKUs of wound care products as on July 31, 2021.

The following table sets forth the different types of products in our wound care portfolio along with their usage:

Product	Types	Usage
Bandages and tapes	Tubular Stockinette Bandages: A range of tubular stockinette bandages with one way stretch intended to be used in dry or wet wrapping of dermatological conditions. Elasticated Tubular Bandage: The Clinigrip range are designed to provide light support for muscle damage or joint support. They are available in child and adult sizes for all limbs. Tapes: We have a wide portfolio of clinical tapes for use with support bandages or direct to skin contact. The Clinipore range is available in Silk (high adhesive), clear (transparent) and surgical. The Clinitape range is clear with a occlusive property to create a barrier. Each range is available in different widths and lengths enabling us to provide the desired solution for the customer	Our bandages and tapes are used for dressing, wet and dry wrapping, and providing light support for muscle damage or joint support.

For the Fiscals 2019, 2020 and 2021, we manufactured over 0.89 million units, 1.12 million units and 0.89 million units of wound care products, respectively.

Urology

Our urology portfolio includes indwelling and intermittent catheters and collection devices as well as a variety of other supporting products such as straps. Our urology portfolio is used to help manage incontinence and other urological conditions arising out of disease or following surgery.

We sell our urology products under our own brand as well as under private label to other leading players.

The following table sets forth the different types of products in our urology portfolio along with their usage and range of SKUs:

Product	Types	Usage	SKUs *(as on July 31, 2021)*
Catheters	Indwelling: Our catheter range includes standard and female lengths. For the hospitals, we also have a range of pediatric catheters.	Our indwelling catheter range is 100% silicone with a usage time of 90 days from insertion.	47
	Intermittent: For users who are able to self-catheterize and includes standard and female lengths.	Ready to use hydrophilic coated catheter with a non-touch slide to enable easy use and clean technique. It is a standard tip variant.	

Product	Types	Usage	SKUs *(as on July 31, 2021)*
Collection Bags	Leg bags, with variations for tube length, capacity and tap preference.	Our leg bags securely attach to either a catheter or a sheath to collect urine. These leg bags are used in the community as well as hospitals.	29
	Urine meters	Our range of urine meters are used in hospitals and these urine meters enable accurate measurement of output and are used in intensive care or other critical care environment.	
	Sterile and non-sterile night bags with a variety of taps.	These night bags are used in the community as well as hospitals.	

The following table sets forth key brands under our urology portfolio:

Brand name	Characteristics	Certification	Image
Prosys All Silicone Foley Catheter	Indwelling, long-term silicone catheter that can stay for 90 days	CE	
Prosys urine collection bags	Range of leg bags, night bags and urine meters for collection of urine	CE	
Sensacath	Intermittent self catheter Hydrophilic coated ready to use catheter with a non-touch slider	CE	

For the Fiscals 2019, 2020 and 2021, we manufactured over 5.40 million, 5.63 million units and 13.15 million units of urology products, respectively.

Arthroscopy

Our arthroscopy portfolio includes a wide range of implants and equipment to help treat soft tissue problems, especially in the shoulders and the knees. Our arthroscopy products are used to help treat various knee and shoulder conditions such as anterior cruciate ligament reconstruction, posterior cruciate ligament injuries and other ligament reconstruction and repair and meniscal repair.

We have designed and developed our arthroscopy portfolio in-house and sell our arthroscopy products under the 'Sironix' brand.

The following table sets forth the different types of products in our advanced surgery portfolio along with their usage and range of SKUs:

Product	**Types**	**Usage**	**SKUs** ***(as on July 31, 2021)***
Shoulder	Wide range of shoulder anchors utilizing advanced absorbable and non-absorbable materials for addressing all shoulder ailments	Used for performing rotator cuff and instability repair along with other soft tissue repairs in the shoulder joint.	102
Knee	Wide range of knee and meniscal implants utilizing advanced bio-materials for addressing all knee ailments	Used for suspensory and aperture fixation.	179

Further, we have 81 additional SKUs which are used in both knee and shoulder surgeries.

The following table sets forth differentiated products under our arthroscopy portfolio:

Brand name	**Characteristics**	**Image**
SureStitch	Safe and ergonomic meniscal all inside repair implant.	
Helysis	Unique variable pitch interference screw for ACL repair	
Viplok	Versatile knotless fixation for rotator cuff repair	
Stativ	Superior soft anchor for shoulder instability	

Our arthroscopy portfolio is approved for sale in India, and we are currently in the process of applying for US FDA approval for the above-mentioned products.

For the Fiscals 2019, 2020 and 2021, we manufactured over 18,000 units, 20,500 units and 27,500 units of arthroscopy products, respectively.

Manufacturing facilities

We have eight manufacturing facilities of which seven are located in India and one is located in China.

We manufacture most of our machinery in-house and procure select machinery from countries such as U.S., Japan, Germany, Italy, U.K. and China. For further details in relation to the certifications obtained by our manufacturing facilities, see "*- Quality control and process safety*" on page 160.

*Bengaluru, Karnataka ("**Bengaluru Facility**")*

We have two units located at our Bengaluru Facility ("**Bengaluru Unit I**" and "**Bengaluru Unit II**"). The Bengaluru Unit I was established in calendar year 1992, while the Bengaluru Unit II was established in calendar year 2009. We manufacture (i) sutures, meshes, surgical staplers, hemostats at our Bengaluru Unit I; and (ii) surgical needles at our Bengaluru Unit II. The Bengaluru Facility sources power from Bangalore Electricity Supply Company Limited and water from bore wells at the Bengaluru Facility. In addition, our Bengaluru Unit I sources water by recycling water in our water treatment plant. Our Bengaluru Facility also has a rainwater harvesting mechanism. The Bengaluru Unit I and Bengaluru Unit II have three diesel generators and one back-up generator, respectively to meet emergency power requirements. Our Bengaluru Facility is strategically located in a large industrial area with good road and air connectivity.

*Noida, Uttar Pradesh ("**Noida Facility**")*

We acquired the Noida Facility in calendar year 2017. It was established in calendar year 1984. We manufacture surgical needles and ligating clips at our Noida Facility. The Noida Facility sources power from Noida Power Corporation Limited and water from bore wells at the Noida Facility as well as Noida Jal Board. Our Noida Facility has four diesel generators to meet emergency power requirements. Our Noida Facility is strategically located, with good road and air connectivity.

*Sri City, Andhra Pradesh ("**Sri City Facility**")*

We commenced operations at our Sri City Facility in calendar year 2012. We manufacture sutures and meshes at our Sri City Facility. The Sri City Facility sources power from Andhra Pradesh Electricity Board and water from local municipal authorities. Our Sri City Facility has a backup diesel generator to meet emergency power requirements. Our Sri City Facility is located in a special economic zone.

*Kunigal, Karnataka ("**Kunigal Facility**")*

We commenced operations at our Kunigal Facility in calendar year 2012. We manufacture gloves, urine bags and bandages at our Kunigal Facility. Our Kunigal Facility is the only manufacturing facility in India that has a compression bandage, retention bandage and anti-allergenic garment plant as on March 31, 2021. *(Source: Frost & Sullivan Report)* The Kunigal Facility sources power from BESCOM and solar power from Renew Power. Our Kunigal Facility sources water from bore wells and third party portable water suppliers. Our Kunigal Facility has three diesel generators to meet emergency power requirements. Our Kunigal Facility also has rainwater harvesting mechanism.

*Mumbai, Maharashtra ("**Mumbai Facility**")*

We leased the Mumbai Facility in calendar year 2021. It was established in 1972. We manufacture gelatin sponge at our Mumbai Facility. The Mumbai Facility sources power from Adani Power Corporation and water from the Municipal Corporation of Greater Mumbai.

*Nanjing, China ("**Nanjing Facility**")*

We acquired the Nanjing Facility in calendar year 2021. It was commissioned in calendar year 2014. We manufacture urine bags and straps at our Nanjing Facility. The Nanjing Facility sources power from the State Grid Jiangsu Electric Power Co. Ltd. and water from Nanjing Gaochun New District Hongye Property Management Co. Ltd.

*Ahmedabad, Gujarat ("**Ahmedabad Facility**")*

We licensed the Ahmedabad Facility in calendar year 2019. We manufacture arthroscopy products at our Ahmedabad Facility. The Ahmedabad Facility sources power from Madhya Gujarat Vij Company Limited and water from bore wells.

Coimbatore, Tamil Nadu ("***Coimbatore Facility***")

We acquired the Coimbatore Facility in calendar year 2021. For further details in relation to Coimbatore Facility, see "*- CareNow*" on page 165.

Capacity and Capacity Utilization

The following table sets forth the installed production capacity of our manufacturing facilities as on March 31, 2021 and the capacity utilization for the Fiscals 2019, 2020 and 2021:

Facility	Products	Installed production capacity (per annum)(1)			Capacity Utilization*		
		For Fiscal 2019	For Fiscal 2020	For Fiscal 2021	For Fiscal 2019	For Fiscal 2020	For Fiscal 2021
Bengaluru Facility	Bengaluru Unit I: Sutures, mesh, surgical staples, hemostats[2]	3.30 million dozen	3.30 million dozen	4.00 million dozen	76%	79%	51%[3]
	Bengaluru Unit II: Needles	24.0 million units	24.0 million units	24.0 million units	85%	60%[4]	30%[4]
Noida Facility	Surgical needles and ligating clips	203.10 million units	225.50 million	238.60 million	88%	95%	90%
Sri City Facility	Sutures and meshes	1.00 million	1.00 million	1.20 million	66%	76%	54%
Kunigal Facility	Gloves	84.00 million pairs	84.00 million pairs	114.00 million pairs	97%	84%	99%
	Catheters	5.40 million units	5.40 million units	5.40 million units[5]	100%	85%	35%[5]
	Urine bags	-[6]	1.21 million units	3.84 million units	-[6]	84%	75%
	Bandages	1.20 million units	1.20 million units	1.20 million units	74%	93%	74%
Mumbai Facility[7]	Gelatin sponge	N.A.	N.A.	0.72 million boxes	N.A.	N.A.	42%
Nanjing Facility[7]	Urine bags	N.A.	N.A.	8.40 million units (expandable by adding shift)	N.A.	N.A.	90% (expandable by adding shift)
	Straps	N.A.	N.A.	2.23 million units (expandable by adding shift)	N.A.	N.A.	90% (expandable by adding shift)
Ahmedabad Facility	Arthroscopy products	24,000 implants per annum	27,000 implants	30,000 implants	75%	75%	75%

** The information related to the installed capacity is based on the assumptions and estimates that have been taken into account for the calculation of the installed production capacity. The assumptions and estimates are basis the explanations provided, documents verified and on the basis of operating days calculated on an annual basis. Considering these are multi product facilities as well as the nature of the manufacturing involves manual intervention, we have taken a combination of these factors to determine the installed capacity. The assumed operating days are 275-280 days, which is based on the possibility of breakdowns and maintenance.*

1. *Total installed production capacity assuming 100% utilization.*

2. *This includes sutures and other products in the advanced surgery portfolio.*

3. *The capacity utilization for Bengaluru Unit I decreased from Fiscal 2020 to Fiscal 2021 due to an increase in capacity resulting from Block A of Bengaluru Unit I being commissioned for production. The commissioning of Block A led to a capacity increase of 20% which negatively impacted capacity utilization.*

4. *The capacity utilization for Bengaluru Unit II has reduced significantly, as we manufacture a wider variety of surgical needles at our Noida Facility with more advanced equipment. We only manufacture surgical needles at our Bengaluru Unit II as and when required.*

5. *We discontinued manufacturing catheters for the Indian market at our Kunigal Facility in Fiscal 2021.*

6. *We started manufacturing urine bags at our Kunigal Facility in Fiscal 2020.*

7. *We acquired or leased this facility, as applicable, in calendar year 2021 and accordingly, we have only provided details of capacity utilization for Fiscal 2021*

For further details in relation to our Coimbatore Facility, see *"-CareNow"* on page 165.

Process Innovation

We strive to drive process innovation to meet our product development, product quality and productivity goals. Our team of engineers developed special purpose machines and customized automation systems to achieve these objectives. For instance, our team of engineers has developed automated systems for manufacturing micro-needles that are less than 125 microns, by combining several processes within one equipment and utilizing robotic arms to handle and transfer the needles. Our manufacturing process allows us to manufacture needles with high precision and offer high degree of customization while manufacturing at scale.

Our Noida Facility has a captive machine design and development cell equipped with 3D modelling, 3D printing and a computer numerical control machining centers. This enables us to develop new special purpose equipment and improve our efficiency leading to higher output.

Procurement and raw materials

Our primary raw materials include (i) suture threads, sheep hanks, raw silk, latex, silicone and stainless steel wire for our advanced surgery products; (ii) PVC film and PVC resin for our urology products; (iii) polyether ether ketone and medical grade titanium for arthroscopy products; and (iv) viscose yarn for our wound care products. In addition, we manufacture surgical needles that are also used for captive consumption. Our cost of raw materials and components consumed in Fiscals 2019, 2020 and 2021 amounted to ₹ 1,265.13 million, ₹ 1,122.14 million and ₹ 1,480.33 million, respectively, and represented 21.48%, 17.20% and 20.37% of our total income in these periods, respectively.

We source our raw materials from suppliers in India and other countries such as U.S., Brazil, Mexico, Germany, Spain, Italy, South Korea, Japan, France, Malaysia, Indonesia, China and UK. Further, the Ministry of Steel, Government of India controls the import of certain grades of stainless steel, one of our raw materials and accordingly, we can source such grades of stainless steel only from select suppliers. We typically enter into supply contracts with our vendors for the supply of our raw materials. We are dependent on two key suppliers in South Korea for one of our raw material, namely suture threads. See, *"Risk Factors - Any delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition."* on page 35. We typically purchase our raw materials at market price.

We usually keep three to four months of inventory of raw materials at our facilities. The ability to store raw materials at our facilities enables us to withstand disruptions in supply as well as volatility in the price of raw material. We plan our inventory levels based on historical levels of sales, actual sale orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Our storage facilities allow us to avoid suspending our production processes, which are costly and time consuming to restart, and enable us to accumulate products to satisfy market demand effectively during peak times by being able to meet customers' demand in full and on time. We store our finished products at the fulfilment centers and warehouses at our facilities.

Customers

We have a diversified and broad customer base with long-standing relationships. Our primary customers across various geographies include hospitals, private label partners, distributors and other institutions, including the government healthcare organizations. These customers include Resorba Medical GmbH, Alto Development Corporation, Tagumedica S.A. and Synthecon Sutures Manufacturing SA cc, and distributors include DKSH and Abacus Pharma (A) Limited. Our revenue from operations from top 15 customers in rest of the world segment constituted 38.62%, 42.47% and 39.50% of our revenues from operations from the rest of world for Fiscals 2019, 2020 and 2021 respectively.

<u>India</u>

We are a supplier to several leading corporate hospital chains such as Apollo Specialty Hospitals and Yashoda Healthcare Services Private Limited. As of March 31, 2021, we cater to over 40,000 surgeons across over 18,000 hospitals across India representing 40% of surgeons and 52% of hospitals conducting surgical procedures in India, according to Frost & Sullivan.

<u>UK</u>

Our customers in the UK are primarily clinicians and procurement within the NHS hospital and community systems. We have entered into contracts with NHS ensuring that all hospitals across UK have access to our urology and wound care products. In addition, we have direct patient contact for our urology products through our Clinidirect home delivery service and our clinical nurse team of 13 employees.

<u>Rest of the world</u>

We have medium-term arrangements with several customers and distributors. We also act as a custom manufacturer of needles for leading suture manufacturers globally, who in turn sell the products under their brands.

Contractual Arrangements

We sell our products through contracts with customers and distributors in India, UK and rest of the world. Our contracts with customers in India are predominantly purchase orders, whereas in the UK and rest of the world, we have also entered into short to medium term contracts. Most of these contracts have a term of more than one year. These contracts may be renewed or extended in accordance with the terms of such contracts. We sell our products under our own brand or private labels for select customers and distributors. These contracts usually specify minimum quantities of a particular product or categories of products that a customer or distributor is required to purchase.

Sales Network and Market Access

We have an extensive sales network and comprehensive market access across our various markets. The scale and reach of our sales network across key markets enables us to effectively market and distribute our products. Our sales teams and network are set up keeping in mind the requirements of the local market and our target customers in each location. Our network is set up as follows:

<u>India</u>

As on March 31, 2021, we have the largest direct sales force among independent medical device companies in India. *(Source: Frost & Sullivan Report)* We have over 350 employees in our direct sales force as of July 31, 2021. As of March 31, 2021, our sales force covers over 40,000 surgeons across over 18,000 hospitals across India representing 40% of surgeons and 52% of hospitals conducting surgical procedures in India. *(Source: Frost & Sullivan Report)* Our sales representatives are trained in the usage and features of our products and are able to demonstrate the features and benefits of our products to surgeons. In addition, we have over 25 fulfilment centers and over 1,200 stockists in India as on March 31, 2021, which enables us to ensure timely delivery of our products to our customers. Our sales network reaches 90% of all districts in India which have secondary healthcare facilities, which were 523 as of 2020. *(Source: Frost & Sullivan Report)*

We have a balanced footprint across India, with a deep presence in tier 3 and smaller cities. Frost & Sullivan expects the healthcare infrastructure to grow faster in Tier 3 and smaller cities over the next three to four years, driving faster growth in demand for our products in these cities. In Fiscal 2021, tier 1 and tier 2 cities contributed to 42.92% of our revenue from India, while tier 3 and smaller cities contributed to 57.08%. *(Source: Frost & Sullivan Report)* We are a supplier to several leading corporate hospital chains such as Apollo Specialty Hospitals and Yashoda Healthcare Services Private Limited.

We have invested in digital technology to improve effectiveness of our sales force and deepen our customer relationships. For instance, we have geographically mapped our hospital customers through our CRM system, which (i) allows us to track the interactions with customers and surgeons; and (ii) provides our sales force access to information on a real-time basis. We also have a structured program for customer training and skill upgradation, which is supplemented by our presence on social media platforms.

<u>UK</u>

In the UK, our commercial presence ensures that we are available to serve the needs of the patient through our urology products across the entire patient care journey from the hospital to at home care:

- Our contracts with the NHS give us access to the NHS hospital network where the patient journey with us commences when our products are utilized in the hospital wards.
- We have a strong presence in the local community formulary listings with our urology products also listed on the UK Drug Tariff. This also ensures that the patient continues to have access to our urology products through repeat prescription.
- We hold a DAC license which enables us to provide our products to patients through home care delivery, after they have been discharged from the hospital.
- As on July 31, 2021, we also have a direct sales force of 27 employees, supported by clinical nurse team of 13 employees to increase patient adoption of our products.

We also supply our urology and wound care products to the pharmacy network. Additionally, we have an emerging presence in the wound care market in the UK (i) with our wound care portfolio listed on the NHS drug tariff reimbursement system; and (ii) through our contracts with the NHS giving us access to the NHS hospital network.

<u>Rest of the world</u>

We sell a range of products in over 80 countries including developed markets such as the US, UK, Germany and France and developing markets in South America, Asia and Africa. In developed markets, we primarily sell our products under our own brand and manufacture under private labels for select customers. In developing markets, we primarily sell our products under our own brand through partnerships with distributors. We also have a direct sales presence in select countries in the Asia Pacific region such as Australia, Malaysia, Bangladesh and Nepal. For further details in relation to the split of the sales across our key markets for the past three years, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 291. For further details in relation to the disclosures of our geographical segment revenue as per Ind AS 108 for Fiscals 2019, 2020 and 2021, see "*Financial Information – Restated Financial Information*" on page 207.

Our sales and marketing team is regularly in contact with our customers and stockists to understand the evolving needs of our customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customer groups to promote our products, including sutures, surgical needles, mesh, hemostats and gloves. In addition, we provide marketing and training support to our channel partners to help aid brand building. We believe our reach and availability of products as well as customer service are key differentiators in our business. Further, we have been conducting clinical trials on our products since Fiscal 2020 to prove efficacy of our products. Our clinical trial data will enable us to address anticipated licensing requirements in key markets, especially the European Union. We expect that going forward, this data will also help us reduce the time for receiving such approvals for our products in the future.

Research and Development

We place a strong focus on research and development, aimed at further expanding our product portfolio in our focus areas and selectively entering adjacent areas. For example, we designed and developed a portfolio in an adjacent area linked to our existing product suite, namely arthroscopy. The key features of our arthroscopy portfolio are as follows:

- we designed and developed the patented portfolio in-house starting in Fiscal 2017, and it now includes over 300 SKUs covering knee and shoulder procedures of which 23 SKUs are proprietary products; and
- we have successfully commercialized this portfolio in India approximately 13.00% of arthroscopy surgeons in India use our products as on March 31, 2021. *(Source: Frost & Sullivan Report).*

Our product development initiatives are focused on meeting the requirements of our customers by identifying their needs and addressing the gaps in market relating to our focus areas. Our product development is driven by our cross-functional team which regularly engages with our customers and key opinion leaders. We have also entered into multiple partnerships with academia and surgeons, startup organizations and advisory boards of specialties organizations / clinics in India to generate feedback and address the gaps in the market.

In addition, we are currently supporting an incubator program in collaboration with the Foundation for Innovation and Technology Transfer ("**FIIT**") at Indian Institute of Technology, Delhi, for end-to-end techno-commercialization support including intellectual property rights management, technology transfers, industry partnerships and incubation for startups.

Examples of our recent product launches that address surgeons' needs and improve patient outcomes include:

- first barbed sutures in India with a triangle stopper which helps in faster wound closure; *(Source: Frost & Sullivan Report)*
- ligating clips with an innovative, patent-pending, design which provides a secure grip in surgeries; *(Source: Frost & Sullivan Report)*
- patented sutures which help prevent post-partum hemorrhage, a leading cause of maternal mortality in India; *(Source: Frost & Sullivan Report)* and
- India's first and only domestically manufactured anti-microbial gloves which enhance patient and surgeon safety by preventing the spread of infections through a non-leaching antimicrobial technology. *(Source: Frost & Sullivan Report)*

We undertake the following research and development activities: (i) product evaluation; (ii) process development including feasibility studies, laboratory validation and development history reports; (iii) process scale up and validation; and (iv) regulatory filings and approvals. In addition, we have a proprietary evaluation matrix that helps us to estimate the market potential and drive our marketing strategy and plan.

We have sold 30 new products since Fiscal 2018 and, according to Frost & Sullivan, these products increased our total addressable market in India by over USD 74 million as of Fiscal 2021. We also have 15 products at various stages of development across our focus areas. Further, as on March 31, 2021, there are several unique products used in surgical and post-surgical care, such as certain arthroscopy products, sutures to prevent post partum hemorrhage, barbed sutures with a triangle stopper and anti-microbial gloves, that are manufactured only by us in India (*Source: Frost & Sullivan Report*)

We incurred ₹ 96.65 million, ₹ 199.47 million and ₹ 146.51 million on research and development representing 1.65%, 3.12% and 2.05% of our revenue from operations in Fiscals 2019, 2020 and 2021, respectively. Our research and development expenditures include costs related to studies for our current and anticipated future products. We will continue to invest in research and development in the future.

Intellectual Property

We have developed, and our business depends on, significant know-how and proprietary knowledge. Hence, we devote significant resources to develop, protect and defend our intellectual property assets. We have defined and implemented dedicated intellectual property strategies for our business. We rely on a combination of patents, trademarks and agreements (non-disclosure and non-competition agreements) to protect our business and proprietary technology. All personnel involved in developing our intellectual property, including external stakeholders, are required to sign patent assignment forms and accordingly, we own all such patents.

As of July 31, 2021, we have a portfolio of 21 registered patents in India and 11 patents in the United States, and a further 22 and six patent applications pending approval in India and US, respectively. Our U.S. and Indian patents have expiration dates ranging from Fiscals 2032 to 2041. Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, US and Europe and one patent application pending for approval in India.

Further, our Company jointly developed arthroscopy products with Dr. Hemant Kumar Alladu, a key opinion leader in the arthroscopy area. We entered into an intellectual property assignment agreement effective from April 1, 2020 pursuant to which the Company has exclusive license over certain patent and intellectual property rights relating to these jointly developed arthroscopy products for a fixed yearly consideration in addition to a variable consideration payable on occurrence of certain events. Dr. Hemant Kumar Alladu has the duty to absolutely and perpetually assign the full title guarantee, right and interest in the intellectual property rights upon receipt of the assignment consideration as specified under the agreement. For further details of the agreement, see "*History and Certain Corporate Matters – Summary of Key Agreements – Key terms of other subsisting material agreements*" on page 177.

We have obtained over 50 trademarks registrations in India, in the category of wordmarks and device marks and all these registrations are currently valid. We have also obtained 61 trademark registrations in UK, 22 trademarks in EU and 1 trademark in Ireland. We have registered trademarks with our partners in certain countries.

As on March 31, 2021, we were not subject to any material claim or legal action alleging infringement of third party owned intellectual property rights. See "*Risk Factors – If we cannot protect our intellectual property, both domestically and internationally, and develop or otherwise acquire additional intellectual property, our ability to sell current or future products may be negatively impacted*" on page 29.

Quality control, process safety and regulatory inspections

Our business success depends on the quality of our products, and we believe we have invested in robust manufacturing, laboratory and documentation practices. Our documentation practices conform to the requirements of documents and data control laid down by the QMS systems of ISO for most of our Facilities and the CFR 820 for US FDA for our Bengaluru Unit I to help us consistently maintain high quality results. We have adopted standard operating procedures to ensure product quality and customer satisfaction, which are focused on providing products conforming to applicable standards, meeting customer requirements, and improving performance and effectiveness of our quality management system. We have quality testing laboratories at each of our manufacturing facilities that are equipped to perform incoming material inspection, in-process inspection and final inspection.

As of July 31, 2021, our quality control team consisted of 31 employees led by eight managers. The managers report to the head of quality. We have designated heads of quality for each facility, who in turn, report to the group head of quality. The members of our quality team conduct stringent quality checks on a periodic basis. In addition, our employees periodically undergo thorough training programs designed to update them on the latest quality norms and standards.

We aim to ensure that our manufacturing facilities are in compliance with the regulatory standards. Our facilities are subject to periodic inspections from various regulatory agencies that have issued certifications. The following table sets forth the certifications obtained by us for compliance with quality standards:

Sr. No.	Manufacturing facility		Certifications
1.	Bengaluru Facility	Bengaluru Unit I	US FDA*, ISO 9001, ISO 13485, FSC, CDSCO, TGA
		Bengaluru Unit II	N.A.
2.	Noida Facility		ISO 13485, ISO 14001, ISO 45001, ICMED 13485
3.	Sri City Facility		ISO 9001, ISO 13485, FSC, CDSCO
4.	Kunigal Facility		ISO 13485, FSC, ISI mark

Sr. No.	Manufacturing facility	Certifications
5.	Mumbai Facility	ISO 13485, CDSCO
6.	Nanjing Facility	US FDA*, ISO 13485
7.	Ahmedabad Facility	CDSCO

**The facilities are registered as per US FDA norms*

For further details in relation to our manufacturing facility that we acquired pursuant to the acquisition of CareNow, see *"- CareNow"* on page 165.

For further details in relation to (i) the letters of approval to market various devices in the United States market from US FDA; (ii) approval to market our products in the European market from 3EC International; and (iii) CDSCO license and approvals, see "*Government and Other Approvals*" on page 459.

Our manufacturing facilities are subject to (i) various regulatory inspections including by US FDA and UNICEF; and (ii) quality audits by our customers from various parts of the world including Germany, Switzerland, Cyprus, UK and U.S.

We have also implemented stringent quality control standards for our raw material suppliers. Our quality control department ensures that the materials received from our approved list of suppliers also comply with our internal standards and specifications that we have designed to satisfy the requirements set forth by various customers.

In addition, we conduct regular repair and maintenance programs for our manufacturing facilities and our engineers and technicians periodically inspect our manufacturing facilities.

Pricing

We determine the prices for our products, based on various parameters, including competitive environment, proprietary nature of product and customer preferences and our contractual arrangements. Our competitive pricing provides our customers access to high quality products at a reasonable price.

There are a number of regulations in India and other jurisdictions that govern pricing for our products. For instance, in India, some of our products are covered under the Drug Price Control Order, which prescribes a cap on price increase of certain products.

In the UK:

- within hospitals, the price is governed by the provisions of the contracts with NHS; and
- within the community, the manufacture and sale of our products are regulated by MHRA and UK Drug Tariff prescribed by NHS Business Services Authority, which provides information on what will be paid to contractors such as us, for NHS services.

Environmental, health and safety and sustainability initiatives

We comply with applicable health and safety regulations and other requirements in our operations. We aim to maintain ecological balance and protect the bio-diversity near our manufacturing facilities. Further, we comply with the legislative requirements, requirements of our licenses, approvals, and various certifications and ensure the safety of our employees and people working in our manufacturing facilities or under our management. For further details, see "*Government and Other Approvals"* on page 459.

We aim to minimize the risk of accidents and occupational health hazards through a systematic analysis and control of risks by providing appropriate training to our management and our employees. We have implemented work safety measures to ensure a safe working environment at our facilities. We have conducted safety programs at our facilities and developed training videos and modules.

In addition, we are subject to extensive environmental laws and regulations in India, including regulations relating to prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, nature resource damages, remediation of contaminated sites, employee health and employee safety, in relation to the respective manufacturing facilities.

Our Noida Facility is certified as conforming to ISO 45001:2018 for occupational health and safety management systems.

We undertake various initiatives to address global environment issues such as climate change and global warming. We have adopted "zero" liquid discharge initiatives wherein no treated effluent from our manufacturing operations is discharged on to the land or into any water body. As on March 31, 2021, zero liquid discharge facilities have been installed at five manufacturing facilities, for the treatment of all liquid effluents. In addition, our Bengaluru and Kunigal Facilities include combined effluent treatment plants with an aggregate capacity of 10 kilo liters / day ("**KLD**") and 12 KLD, respectively. Our Bengaluru and Kunigal Facilities also have rain water harvesting mechanism. The treated water is utilized for horticulture and restrooms. In addition, we have six water harvesting plants.

Awards and accreditations

Over the years we have won several awards and accolades. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 174.

Insurance

Our operations are subject to various risks inherent in the medtech industry. Accordingly, we have obtained insurance policies such as product liability and public liability, commercial general liability, money insurance and clinical trial liability insurance policy. In addition, we have also obtained directors' and officers' liability insurance. The following table sets forth details of our insurance coverage in Fiscals 2019, 2020 and 2021:

As at	Remarks	Amount (in ₹ Millions)	% of total Assets (in %)	Percentage of insurance coverage (in %)
Insured Assets				
Three months ended June 30, 2021*	NA	2,237.41	21.96	100
March 31, 2021	NA	2,185.98	27.61	100
March 31, 2020	NA	2,199.29	30.96	100
March 31, 2019	NA	2,317.72	33.92	100
*Uninsured Assets^*				
Three months ended June 30, 2021*	NA	7,949.30	78.04	Nil
March 31, 2021	NA	5,731.79	72.39	Nil
March 31, 2020	NA	4,903.79	69.04	Nil
March 31, 2019	NA	4,515.70	66.08	Nil
Total Assets				
Three months ended June 30, 2021*	NA	10,186.71	100.00	100
March 31, 2021	NA	7,917.77	100.00	100
March 31, 2020	NA	7,103.08	100.00	100
March 31, 2019	NA	6,833.42	100.00	100

See "*Risk Factors – Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*" on page 41.

Employees

Our employees are core to our business operations. As of July 31, 2021, we have employed 1,966 personnel, including contract labor. The breakdown of our employees in different functionalities as of July 31, 2021 has been provided below:

Function	Total Employees (Permanent and contractual)
Manufacturing and operations	993
Marketing and sales	438
Quality control and assurance	265
Supply chain	95
Research and development	83
Human Resources, Administration and information technology	51
Finance and legal	30
Corporate	11
Total	**1,966**

We have a diverse and inclusive workforce and our employees have been previously employed by organizations and multinational corporations in various industries. We train our employees on a regular basis to upgrade the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We place strong emphasis on employee retention, motivation and incentivization. We offer equity linked incentives which align with the interests of our employees with shareholders. Further, we offer relevant benefits to our employees, and regularly conduct employee engagement programs across our facilities and teams.

Our employees are not represented by any union. However, certain employees at our Bengaluru Facility have registered themselves with the Center of Indian Trade Unions in Bengaluru, Karnataka. For further details in relation to the notice issued to our Company by the Deputy Labour Commissioner for a conciliation meeting with reference to the application submitted by Shakuntala G.H. and 80 other workers to address various demands of the workers, see *"Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Actions taken by regulatory and statutory authorities*" on page 453.

Competition

The medical technology industry is a highly competitive industry. Our competition varies across various markets, geographical areas and type of products. We face competition from both domestic and international companies. Our competitors in (i) the surgical consumables market include Johnson & Johnson Private Limited (Ethicon); and India Medtronic Private Limited; (ii) the urology market include Coloplast Ltd. and Bard Limited; and (iii) arthroscopy market include Arthrex, Inc. (Global) and Smith & Nephew Healthcare Pvt. Ltd. (India). We compete on the basis of several factors, including quality of products, innovation, value, availability, brand reputation and convenience.

Although no single company competes with us in all our focus areas, we face substantial competition in each our focus areas from large multinational corporations and various local players, in each of our key markets. However, according to Frost & Sullivan, the introduction of EU MDR regime will increase the barriers to entry in this market and drive consolidation of market share. The timeline high investment requirements, risk of delay in investment realization, and the stringent quality requirements for CE approval of products is likely to dampen the pace and volume of investments from smaller companies for export of finished products.

For details on the competitive landscape, see "*Industry Overview*" on page 114.

Information Technology

We currently use advanced ERP systems, which assist us with various functions across our business processes including raw material management, production planning, sales and distribution, financial and accounting, governance, and human resource functions. These systems facilitate the flow of real-time information across departments and allows us to make data driven decisions and manage performance.

Properties

Our Registered Office is located at 472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru, 560058, Karnataka. We have entered into a service agreement for our Corporate Office located at RMZ North Star, Cowrks, 12th floor, Yelahanka, Bengaluru, 560064, Karnataka and it stipulates a lock-in period of 60 months from the move-in date, i.e. April 1, 2019.

As on the date of this Draft Red Herring Prospectus, we operate our manufacturing facilities on parcels of lands that are held by us on a leasehold basis as well as freehold basis. Our Company has over 25 fulfilment centers as on March 31, 2021. Premises on which our warehouses and other offices are located are either owned by us, or held either on a leasehold or under a leave and license basis.

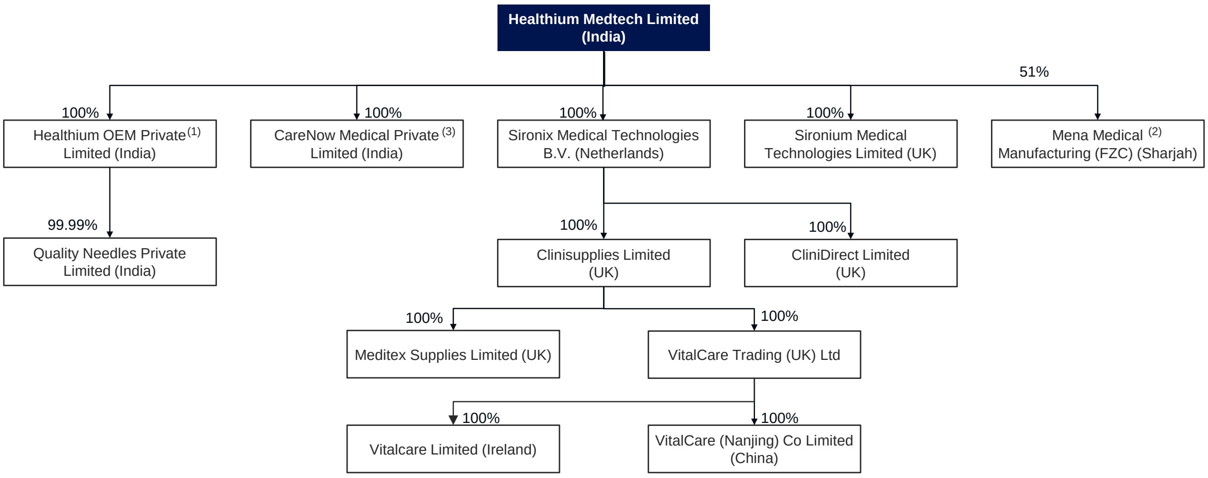
For further details, see *"Risk Factors – We do not own premises for our Corporate Office. Further, we operate our manufacturing facilities on parcels of lands that are held by us on a leasehold basis as well as a freehold basis."* on page 46.

Corporate social responsibility initiatives

We have a strong commitment to our community through both our business and our CSR initiatives. Our vision is to deliver access to precision medtech products to every patient globally. Through our extensive market access we play a leading role in ensuring availability of high quality products to communities with limited access including semi-urban and rural areas in India, Africa and South America.

We have also adopted a corporate social responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Our CSR initiatives are focused on supporting charities and community projects across India and UK.

Organization Structure



1. *Being merged with our Company.*
2. *In the process of being liquidated.*
3. *CareNow has also issued CCPS to certain erstwhile shareholders. These shareholders have entered into a put and call option agreement with our Company pursuant to which they are required to sell the CCPS to our Company, and/or our Company is required to purchase the CCPSs from them, based on a certain formula.*

Our recent acquisitions

In Fiscal 2022, we complete the acquisition of AbGel, VitalCare and CareNow:

- *AbGel*: Our Company has entered into a business transfer agreement dated May 26, 2021 ("**BTA**") with Sri Gopal Krishna Labs Private Limited and its shareholders for purchase of a business undertaking as a going concern on a slump sale basis for the lump sum purchase price. The upfront purchase consideration paid was ₹ 500 million and the deferred purchase consideration to be paid by our Company is ₹ 50 million. The business undertaking is engaged in the business of manufacturing and selling haemostatic surgical gelatin sponge under the brand "AbGel". The Company acquired AbGel on July 31, 2021.
- *VitalCare:* Our step-down subsidiary, Clinisupplies Limited, acquired 100% of outstanding shares of VitalCare for an aggregate consideration of up to GBP 9.25 million, equivalent to approximately ₹ 952.82* million, plus / minus certain other items including cash in hand and cash equivalents, as included in the share purchase agreement dated July 1, 2021. The purchase price for such acquisition is the aggregate of (i) GBP 8 million plus aggregate amount of unrestricted cash in hand and cash equivalents; and (ii) earn-out consideration up to GBP 1.25 million, if any, which shall be calculated and paid in accordance with the share purchase agreement. VitalCare is engaged in the business of manufacturing and sales of white labelled urology and anal irrigation products.
  ** For the foreign exchange conversion from GBP to INR, FEDAI rate, as of July 30, 2021, has been considered.*
- *CareNow:* On August 31, 2021, our Company acquired 100% of the outstanding equity shares of CareNow for an initial purchase consideration of ₹ 1,260 million, subject to certain adjustments as stated in the share purchase agreement dated August 26, 2021, and a deferred consideration of ₹ 50 million linked to Carenow receiving US FDA approval for its 'theruptor product', a sterile barrier wound dressing In addition, our Company; CareNow; and preference shareholders entered into a put and call option agreement dated August 26, 2021 pursuant to which our Company may acquire 30 compulsorily convertible preference shares of CareNow, from the preference shareholders after a specified date at a price to be determined on achievement of certain milestones and such purchase price shall not exceed ₹ 1,740.00 million. CareNow is engaged in the business of manufacturing infection prevention products.

For further details in relation to the acquisitions, see "*History and Certain Corporate Matters*", *"-CareNow", "Risk Factors"* on pages 173, 165 and 24, respectively.

- Some of our key financial benchmarks pursuant to the Acquisitions derived from Proforma Consolidated Financial Information for the year ended March 31, 2021 are as follows:

	Derived from Proforma Consolidated Financial Information
Total income (₹ million)	10,816.93
EBITDA (₹)[(1)]	2,388.28
Profit for the year (₹ million)	1,288.21
EBITDA margin (%)[(2)]	22.37%

	Derived from Proforma Consolidated Financial Information
PAT margin (%)[(3)]	11.51%

1. *EBITDA is calculated as profit for the year, plus income tax expense, plus depreciation and amortization expense, plus finance costs, less finance income.*
2. *EBITDA margin is calculated as EBITDA divided by revenue from operations*
3. *PAT margin is calculated as profit for the year divided by revenue from operations.*

For further details in relation to the impact of the acquisitions, see "*Proforma Consolidated Financial Information" and "Risk Factors – The Proforma Consolidated Financial Information included in this Draft Red Herring Prospectus may not accurately reflect our future financial condition, results of operations, cash flows and business"* on pages 320 and 40, respectively.

CareNow

Description of CareNow Products

CareNow is primarily engaged in the designing, manufacturing, marketing and sale of products in the focus area of wound care, including advanced wound management products and infection prevention products for patients and hospitals (collectively, the "**CareNow Products**").

The following table sets forth the different types of CareNow Products in our wound care portfolio along with its key features and SKUs:

Product	Types	Key features
Advanced wound management products	Surgical bandages, films and dressings	These products are used to promote healing of, and reduce risk of infection in, surgical and chronic wounds. The products have technology that combines anti-microbial, exudate management, moisture management, non-leaching and non-adherence properties. It consists of a 3D structure of a dense layer sandwiched between two lesser dense layers allowing for exudate management while maintaining a moist wound environment.
Disinfectants	Equipment wipes, surface disinfectant products and handrubs	The products consist of proprietary fifth generation quaternary ammonium compounds with microbicidal efficacy. The portfolio also consists of enzymatic cleaners of wipes and solutions that are non-toxic and used for invasive device cleaning substantially per NABL and CDC guidelines.
Hospital products	Bath wipes, cleaning wipes and textiles	The products consists of consumables for patient infection control including medicated bath wipes, medicated swabs and solutions for oral hygiene. The textiles are self-sanitizing and are available for patient beds and hospital staff uniforms.

We believe that CareNow Products are synergistic to our existing product portfolio and customer base. We intend to obtain marketing authorizations for CareNow Products across geographies (especially in the US and Europe) and cross-sell the portfolio to our customers in our key markets.

Manufacturing facility

CareNow has one manufacturing facility in Coimbatore, Tamil Nadu ("**Coimbatore Facility**"). CareNow manufactures wet wipes, different types of liquids, sterile products and different types of sterile wipes. The Coimbatore Facility sources power from the Tamil Nadu Generation and Distribution Corporation Limited and water from bore wells. The Coimbatore Facility has a diesel generator to meet emergency power requirements.

The following table sets forth the installed production capacity of our Coimbatore Facility as on March 31, 2021 and the capacity utilization for Fiscal 2021:

Product	Installed production capacity (per annum)(1)	Capacity utilization for Fiscal 2021(2)*
Wet wipes, different types of liquids, sterile products and different types of sterile wipes	41.59 million units	33.21%

**The information related to the installed capacity is based on the assumptions and estimates that have been taken into account for the calculation of the installed production capacity. The assumptions and estimates are basis the explanations provided, documents verified and on the basis of operating days calculated on an annual basis. Considering it is a multi product facilities as well as the nature of the manufacturing involves manual intervention, we have taken a combination of these factors to determine the installed capacity. The assumed operating days are 275-280 days, which is based on the possibility of breakdowns and maintenance.*

1. *Total installed production capacity assuming 100% utilization.*

2. *We acquired this facility in calendar year 2021 and accordingly, we have only provided details of capacity utilization for Fiscal 2021.*

The Coimbatore Facility has obtained ISO 9001, ISO 13485, CDSCO and it is registered with the US FDA.

Sales Network and Market Access

CareNow has a limited distribution network in India, predominantly focused on South India. CareNow has entered into private labeling agreement with multinational corporations in India and has licensed its anti-microbial technology to various partners for usage across a range of products.

In addition, CareNow has established distribution partners in South East Asia, Middle East and South America. We believe we can leverage our market access and sales force to drive growth of CareNow's current product portfolio and new products.

Further, CareNow has applied for a US FDA approval for its advanced wound management products under the de-novo route for use on surgical and chronic wounds. CareNow is also currently conducting clinical trials for these products and is supported by BIRAC through a grant.

Research and Development and Quality Control

CareNow places a strong focus on research and development of wound management and infection prevention products with specific focus on anti-microbial technology. It has designed and developed an anti-microbial advanced wound management portfolio that uses a patented non-leaching technology. As of August 31, 2021, it has a research and development team of five employees, who are largely graduates and post-graduates in the discipline of science. The Coimbatore Facility has an in-house laboratory where analytical testing, microbiology, and gas chromatography can be conducted.

Intellectual Property

Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, US and Europe and one patent application pending for approval in India. As on the date of acquisition of CareNow, CareNow was not subject to any material claim or legal action alleging infringement of third party owned intellectual property rights.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. Some of our subsidiaries which are incorporated and are operating outside India are governed by laws of their respective jurisdictions. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

A. Business related laws

Drugs and Cosmetics Act, 1940 ("DCA") and Drugs and Cosmetics Rules, 1945 ("DCR")

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The primary objective of the act is to ensure that the drugs and cosmetics sold in India are safe, effective and conform to state quality standards. The Central Government has also passed the DCR in exercise of powers conferred under the DCA. Medical Devices in India are regulated as drugs by the Central Drugs Standards Control Organization as per the provisions of the Drugs and Cosmetics Act, 1940. The DCR specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Medical Device Rules, 2017 ("MDR")

The Indian Government introduced the MDR which came into effect on January 1, 2018. The rules have been drafted with the intention to distinguish medical devices from pharmaceuticals for the purpose of regulation. Only the devices notified by the Government are regulated and falls under the provisions of regulations as per MDR. In tune with the global practice, the 2017 Rules has introduced a risked based classification system for regulation of medical devices including Low risk (Class A) Low Moderate (Class B) Moderate High (Class C) and High Risk devices classified as (Class D).

The Medical Device (Amendment) Rules, 2020 have introduced two changes to MDR. The first is introduction of a new chapter for registration of Newly Notified Medical Devices by their respective manufacturers and importers. The second is an exemption for the 37 categories of already regulated or notified medical devices from the requirement of registration introduced by the new chapter.

Essential Commodities Act, 1955 ("ECA")

The ECA gives powers to the Government of India to, among other things, regulate production, distribution and quality of essential commodities including drugs, for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/departments of the Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The state governments have issued various control orders to regulate various aspects of trading in essential commodities.

***National Pharmaceutical Pricing Policy, 2012* ("NPPP")**

In December 2012, the Government issued the NPPP, which has replaced the Drug Policy of 1994. The objective of the NPPP is to put in place a regulatory framework for pricing of drugs so as to ensure availability of essential medicines at reasonable prices while providing sufficient opportunity for innovation and competition to support the growth of industry. The regulation of prices of drugs under the NPPP is on the basis of regulating the prices of formulations and is different from the earlier principle of regulating the prices of specified bulk drugs and their formulations under the Drug Policy 1994. The National Pharmaceuticals Pricing Authority ("**NPPA**") will be the implementation authority for the NPPP. NPPA was set up by the Department of Chemicals and Petrochemicals (now Department of Pharmaceuticals since July 2008). The NNPA has been entrusted with the task of fixation and revision of prices of pharmaceutical products (bulk drugs and formulations), enforcement of provisions of the Drugs (Prices Control) Order and monitoring of the prices of controlled and decontrolled drugs in the country. As per the provisions of Drugs (Prices Control) Order, NPPA fixes the ceiling price for medicines in the controlled category

The NPPP provides for certain principles for drug price control and determination, which, inter-alia, include the following:

a. Price regulation is on the basis of 'essentiality' of the drug as laid down in the National List of Essential Medicines ("**NLEM**"), declared by the Ministry of Health and Family Welfare, in public interest;

b. Price regulation is applied only to formulations;

c. The Span of Price Control is as per the dosages and strengths as listed in NLEM;

d. The methodology of fixing a ceiling price of essential medicines, is done by adopting the simple average price of all the brands having market share (on the basis of moving annual turnover) more than and equal to one percent of the total market turnover of that medicine.

e. The formulations are to be priced only by fixing a ceiling price. Manufacturers would be free to fix any price for their products equal to or below the ceiling price. The ceiling price would be fixed on the dosage basis, such as per tablet, capsule, standard injection volume, as listed in NLEM;

f. The ceiling price will be fixed on the basis of readily monitorable market based data which would be available with IMS Health ("**IMS**"). Since the IMS data gives price figures for stockist level prices, in order to arrive at ceiling price (being the maximum retail price), the price derived from IMS data would be further increased by 16% as margin to the retailer so as to arrive at a reasonable ceiling price chargeable from the consumers. For drugs not in the IMS data, NPPA would collect data by commissioning the same.

g. The prices of such essential medicines will be allowed an annual increase as per the 'Wholesale Price Index' as notified by the Department of Industrial Policy & Promotion;

h. The prices of non-essential drugs are to be monitored by the Government on a regular basis and where the price of such drugs increases at a rate of above 10% per annum, the Government is empowered to have the price of these drugs reduced below the limit, for the next 12 months; and

i. The ceiling prices determined for drugs under the NPPP are also be applicable to imported drugs.

The NPPP further, in order to promote innovation and R&D, provides for certain exemptions, to which price control does not apply, such as:

a. A product or process patented under the Indian Patent Act, 1970, if developed through indigenous R&D, is eligible for exemption from price control for a period of five years from the date of commencement of its commercial production; and

b. A formulation involving a new delivery system developed through indigenous R&D is also eligible for exemption from price control for a period of five years from the date of its market approval in India. The certification of innovation and R&D may be provided by the office of DCGI.

In May 2013, the Central Government in exercise of its powers under the Essential Commodities Act, 1955 issued the Drugs Prices (Control) Order, 2013 which will replace the Drugs Prices (Control) Order, 1995. The NPPA will be the implementation authority for the new Drug Prices (Control) Order, 2013.

***The Drugs (Prices Control) Order, 2013* ("DPCO")**

The DPCO is passed under section 3 of the Essential Commodities Act, 1955 ("**ECA")** and is to be read with the Drug and Cosmetic Act, **"DCA".** The DPCO, inter alia, provides the list of price-controlled drugs, procedures for fixing the prices of drugs, method of implementation of prices fixed by Government and penalties for contravention of provisions and formulations which fall within the purview of the legislation.

The DPCO provides for the formulae for calculation of ceiling prices and retail prices of drug formulation and there are penal provisions for violation of any rules and regulations under the ECA. As per section 7 of the ECA, the penalty for contravention of the DPCO is minimum imprisonment of three months, which may extend to seven years and the violator is also liable to pay a fine. The DPCO provides that the Government may, in extraordinary circumstances, if it considers necessary to do so in the light of public interest, fix the ceiling price or retail price of any drug for such period as it may consider fit, and where the ceiling price or retail price is already fixed and notified, it may allow an increase or decrease in the ceiling price or the retail price as the case may be, irrespective of the annual wholesale price index for that year.

Under the provisions of the DPCO, every manufacturer of a schedule formulation intended for sale shall display in indelible print mark, on the label of container of the formulation and the minimum pack thereof offered for retail sale, the maximum retail price of that formulation based on the ceiling price notified in the Official Gazette ordered by the Government in this behalf with the words "Maximum Retail Price" preceding it and the words 'inclusive of all taxes' succeeding it.

The provisions of this order do not apply to a manufacturer producing a new drug patented under the Indian Patent Act, 1970 (product patent) and not produced elsewhere, if developed through indigenous Research and Development, for a period of five years from the date of commencement of its commercial production in the country or a manufacturer producing a new drug in the country by a new process developed through indigenous Research and Development and patented under the Indian Patent Act, 1970 for a period of five years from the date of the commencement of its commercial production in the country or a manufacturer producing a new drug involving a new delivery system developed through indigenous Research and Development for a period of five years from the date of its market approval in India.

The Petroleum Act, 1934 ("Petroleum Act"), Petroleum Rules, 2002 ("Rules, 2002") and Petroleum and Explosives Safety Organisation ("PESO")

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Rules,2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

The PESO certification and registration of India is the mandatory approval program for the oil and gas industry or products that work with gases, are used in the oil industry, or that has to withstand very corrosive environments. PESO's major work is to administer the responsibilities delegated under the Explosives Act, Petroleum Act and the Rules, 2002.

The Factories Act, 1948 ("Factories Act")

The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the "occupier" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with either imprisonment or fine or both.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Consumer Protection Act, 2019

The Ministry of Consumer Affairs, Food and Public Distribution ("Ministry of Consumer Affairs") notified certain sections of the Consumer Protection Act, 2019 ("COPRA") by way of the notification dated July 15, 2020 (with effect from July 20, 2020), including sections regulating the formation and functioning of the Consumer Protection Council at the national, state and district levels, the formation and functioning of Consumer Dispute Redressal Commissions at the national, state and district levels, mediation of consumer disputes, product liability actions and punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterants and spurious goods.

The COPRA provides a mechanism for the consumer to file a complaint against a product manufacturer, seller or service provider in cases of unfair contract or trade practices, restrictive trade practices, defected goods, goods which are hazardous or likely to be hazardous to life being sold in contravention to safety standards, deficiency in services and price charged being unlawful. It also places product liability on a manufacturer or product service provider or product seller, to compensate for any harm caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the district, state and national levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, *inter alia*, also introduce a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and promote, protect and enforce the rights of consumers.

Shops and establishments Legislations

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

B. Environmental Regulations

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed periodically.

a) Bio-Medical Waste Management Rules, 2016

Biomedical waste comprises human & animal anatomical waste, treatment apparatus like needles, syringes and other materials used in health care facilities in the process of treatment and research. This waste is generated during diagnosis, treatment or immunisation in hospitals, nursing homes, pathological laboratories, blood bank, etc.

b) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, requires that every occupier of a facility who is engaged in handling of 'hazardous waste' and other wastes is required to obtain an authorization from State PCB. It places an obligation on the occupier to prevent, minimize, reuse, recycle, recover, utilize including co-processing, and safe disposal of the waste. It also makes the occupier responsible for safe and environmentally sound management of hazardous and other wastes. It makes the occupier liable for damages caused to environment or third parties. It also prescribes financial penalties for violation of provisions of the rules.

C. Intellectual property laws

Intellectual property rights in India enjoy protection under both statutory and under common law. The key legislations governing intellectual property in India are the Copyright Act, 1957, Trademarks Act, 1999 and Patents Act, 1970.

India is also a party to several international agreements for the protection of intellectual property rights.

a) The Patents Act, 1970 ("Patents Act")

The Patents Act, came into force in the year 1972 to amend and consolidate the existing law relating to Patents in India. The Patents Act, 1970 was amended by the Patents (Amendment) Act, 2005, wherein product patent was extended to all fields of technology including food, drugs, chemicals and micro-organisms. After the amendment, the provisions relating to Exclusive Marketing Rights (EMRs) have been repealed, and a provision for enabling grant of compulsory license has been introduced. The provisions relating to pre-grant and post-grant opposition have been also introduced. In addition to the requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

b) ***The Trademarks Act, 1999 ("TM Act")***

The TM Act provides for the application and registration of trademarks in India. The purpose of the TM Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years, unless cancelled, and can be renewed in accordance with the specified procedure.

The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

c) Designs Act, 2000 ("DA") and the Designs Rules, 2001 ("DR")

The DA regulates and protects the originality of an article's design and prohibits the piracy of registered designs. The primary objective of the Act is to protect new or original designs from getting copied, and ensure that the creator, originator or artisan of the design is not deprived of their rightful gains for the creation of their design. The central government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees (available in the First Schedule of the Rules, amended through the DR, 2014), register for designs, classification of goods, address for service, restoration of designs, etc.

D. *Laws relating to Employment and Labour*

In respect of our business and operations, our Company and Subsidiaries are also required to obtain licences and registrations and make timely payments as prescribed under various labour laws and regulations including, *inter alia,*

- Child Labour (Prohibition and Regulation) Act, 1986;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;****
- Employees' State Insurance Act, 1948;****
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;***
- Industrial Employment (Standing Orders) Act, 1946;***
- Maternity Benefit Act, 1961;****
- Minimum Wages Act, 1948;*
- Motor Transport Workers Act, 1961;
- Payment of Bonus Act, 1965;*
- Payment of Gratuity Act, 1972;****
- Payment of Wages Act, 1936;*
- Equal Remuneration Act, 1976;*
- Employee's Compensation Act, 1923;
- Contract Labour (Regulation and Abolition) Act, 1970.**

* *The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government.*

** *The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government.. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

*****The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government.. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.*

E. *Laws relating to Taxation*

The tax related laws that are applicable to our Company include the Central Goods and Services Tax Act, 2017, Kerala Goods and Services Tax Act, 2017, Tamil Nadu Goods and Services Tax Act, 2017, Karnataka Goods and Services Tax Act, 2017, Uttar Pradesh Goods and Services Tax Act, 2017, Punjab Goods and Services Tax Act, 2017, Maharashtra Goods and Services Tax Act, 2017, Assam Goods and Services Tax Act, 2017, West Bengal Goods and Services Tax Act, 2017, Andhra Pradesh Goods and Services Tax Act, 2017, Income Tax Act, 1961, Income Tax Rules, 1962, as amended by the Finance Act in respective years, along with the applicable rules framed thereunder.

F. *General Laws*

Apart from the above list of laws –which is inclusive in nature and not exhaustive -general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000 and Sale of Goods Act 1930 are also applicable to the company.

G. *Other Laws*

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to develop and regulate foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. The EXIM Policy is a set of guidelines and instructions established by the Director General of Foreign Trade ("**DGFT**") in matters related to the export and import of goods in India and DGFT is the main governing body in matters related to the EXIM Policy.

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999("FEMA") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit.

The Foreign Direct Investment

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Non-Debt Instruments Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Non-Debt Instrument Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall be up to the sectoral cap applicable to the sector in which the Company operates. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Sutures India Private Limited at Bengaluru, Karnataka, as a private limited company, under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 28, 1992, issued by the RoC. Subsequently, the name of our Company was changed to Healthium Medtech Private Limited and a fresh certificate of incorporation was issued by the RoC dated May 25, 2017. The change in the name of the Company was undertaken to reflect the main object of the Company in the name of the Company. Subsequently, our Company converted from a private limited company to a public limited company, pursuant to a special resolution passed by our Shareholders at the EGM held on July 19, 2021 and the name of our Company was changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation granted to our Company by the RoC, dated August 4, 2021, consequent on change of name.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the Registered Office	Reasons for change
April 01, 1993	The registered office of our Company was shifted from 1275, 32 'G' cross, 4th 'T' Block, Jayanagar, Bengaluru- 560041 to 118, III Phase, Peenya Industrial Area, Bengaluru-560058.	Administrative convenience
November 10, 2004	The registered office of our Company was shifted from No. 118, III Phase, Peenya Industrial Area, Bengaluru-560058 to 472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru-560058.	

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

"To carry on industry, trade or business of manufactures, importers, exporters, dealers, stockists, wholesalers, retailers, suppliers and agents in surgical goods and products like sutures-natural or synthetic, surgical dressings of all kinds including bandages, adhesive or non-adhesive, first aid kits and articles of similar nature used by surgeons for surgery".

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholder's resolution/ Effective date	Particulars
March 06, 2017	Amendment to Clause V of the MoA, to reflect the sub-division of the equity shares of our Company pursuant to the change in face value of the equity shares from ₹ 10 each to ₹ 2 each. Clause V is substituted with the following: *"The Authorised Share Capital of the company is ₹ 20,00,00,000 (Rupees Twenty Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of ₹ 2 (Rupees Two) each."*
April 24, 2017	Amendment to Clause I of the MoA pursuant to the change in name of the Company from 'Sutures India Private Limited', to 'Healthium Medtech Private Limited'.
July 19, 2021	(i) Amendment to Clause I of the MoA pursuant to the change in name of the Company from 'Healthium Medtech Private Limited' to 'Healthium Medtech Limited'. (ii) Amendment to Clause V of the MoA, to reflect the change in authorized share capital of the Company. Clause V is substituted with the following: *"The Authorised Share Capital of the company is ₹ 50,00,00,000 (Rupees Fifty Crores Only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of ₹ 2 (Rupees Two) each."*
August 7, 2021	Amendment to Clause V of the MoA, to reflect the change in authorized share capital of the Company. Clause V is substituted with the following: *"The Authorised Share Capital of the company is ₹ 50,00,00,000 (Rupees Fifty Crores Only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of ₹ 1 (Rupees One) each."*
September 2, 2021	Adoption of new set of the Memorandum of Association, which is aligned with the provisions of Companies Act, 2013.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Fiscal	Events
2002	Received EC certification for absorbable surgical sutures and non-absorbable surgical sutures
2006	Received letters of approval to market various devices in the United States from US FDA.
2016 and 2017	Acquired Clinisupplies Limited
2016	Acquired Clinidirect Limited
2017	Acquired Quality Needles Private Limited
2017	Obtained the first patent in the name of our Company
2019	Our Promoter acquired 99.88% of issued, subscribed and paid up share capital of our Company
2019	Initiated clinical trials to comply with EU MDR
2021	Filed 50th application for a patent in the name of our Company
2022	Acquisition of VitalCare Trading (UK) Limited along with its subsidiaries, VitalCare (Nanjing) Co. Limited and VitalCare Limited by our subsidiary, Clinisupplies Limited
2022	Acquisition of the business of manufacture and sale of surgical haemostatic gelatine sponge under the brand 'AbGel' from Sri Gopal Krishna Labs Private Limited
2022	Initiated the process of making an US FDA application for arthroscopy.
2022	Acquisition of Carenow Medical Private Limited

Awards and accreditations

The table below sets forth key awards and accreditations received by our Company:

Calendar Year	Particulars
2014-15	Received the "State Export Excellence Award" in the category of Drugs & Pharmaceuticals Micro/ Small Enterprise from Department of Industries & Commerce, Bengaluru, Government of Karnataka.
2016	Received the "Indian Medical Consumables Company of the Year" award, from Frost and Sullivan.
2017	"Indian Medical Technology Innovation Leadership" award presented by Frost and Sullivan to Sironix
2017	Received an award for "Excellence of the Year for Leadership Medical Consumables India" at the Le Fonti IAIR Awards.
2017	Received an award for "Best HR Practice in Healthcare" from World Health and Wellness Congress & Awards
2021	Received the "FP&A Tool of the Year" award at the Transformance FP&A Excellence Awards.
2021	The Healthium group received the "Manufacturing Icon of the Year" award, from World Leadership Congress & Awards.

Time and cost overrun

There have been no time and cost overruns pertaining to our business operations or any projects undertaken by our Company.

Defaults or re-scheduling of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Other than our strategic partnership with Yasour Co. for Medical Supplies, pursuant to the joint venture agreement dated July 2, 2012, for the functioning of Mena Medical Manufacturing (FZC)*, our Company does not have any financial or strategic partners as of the date of this Draft Red Herring Prospectus. For further details of the joint venture agreement in relation to MENA, see *"Our Subsidiaries- Mena Medical Manufacturing (FZC)"* on page 181.

* *The entity is in the process of liquidation. For further details, please see "Risk Factors- – Our Company is in the process of liquidating Mena Medical Manufacturing (FZC), which may adversely affect our business and results of operations." on page 47.*

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of plants of our Company and our Subsidiaries, see "*Our Business*" on page 141.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "*Major Events and Milestones of our Company*" on pages 141 and 174, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in the ten years preceding the date of this Draft Red Herring Prospectus:

(i) Scheme of arrangement between our Company and Healthium OEM Private Limited

Our Company and Healthium OEM Private Limited ("**Transferor**"), filed a joint petition before the National Company Law Tribunal, Bengaluru Bench ("**NCLT**") under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013, seeking sanction of the scheme of arrangement between the Transferor, our Company, and their respective shareholders and creditors (the "**Scheme of Arrangement**"). The Scheme of Arrangement provides for (i) the amalgamation of the Transferor with our Company; and (ii) a reclassification of general reserves of our Company. The rationale of the Scheme of Arrangement is, *inter alia,* to achieve greater integration and financial strength for the amalgamated entity; to consolidate and simplify our group structure and business operations to facilitate the optimal utilization of various resources; to enable greater efficiency in cash management and to benefit from unfettered access to cash flow generated by combined business which can be deployed more efficiently to fund growth opportunities, in order to improve shareholder's value.

If the Scheme of Arrangement is approved by NCLT and becomes effective, the entire undertaking and business of the Transferor, including, *inter alia,* all debts, liabilities, losses, movable and immovable properties, assets, business licenses and intellectual property rights will be transferred and vested in our Company. As the Transferor is a wholly owned subsidiary of our Company, it was agreed that no consideration will be payable pursuant to the amalgamation, under the Scheme of Arrangement. Further, pursuant to the Scheme of Arrangement, an amount of ₹ 1,220.10 million out of the total general reserves of our Company will be reclassified and credited to the profit and loss account of our Company.

(ii) **Share purchase agreement dated August 26, 2021 executed by and amongst our Company, Carenow Medical Private Limited, and Sellers (*as defined below*); and Put and Call Option agreement dated August 26, 2021 executed by and amongst our Company, Carenow Medical Private Limited, Anand Venkatachalam, Thangaraj Rajkumar, and Michael Bastiao Rodrigues.**

Our Company; Carenow Medical Private Limited ("**Carenow**"); and Anand Venkatachalam, R Venkatachalam, Thangaraj Rajkumar, S Vasanth Kumar, S K Viveknandha, K A Urmila, K V Bhavanthi, Manjula, Nina Andal, Jivana Durga, Anand Anand Kumar, Bala Subramaniam, Prasanna Raviraj, and Michael Bastiao Rodrigues ("**Sellers**") entered into a share purchase agreement dated August 26, 2021 ("**SPA**"), pursuant to which our Company acquired 3,380 equity shares of a face value of ₹ 100 each, representing 100% of the equity share capital of Carenow, from the Sellers for an initial consideration of ₹ 1,260.00 million, subject to adjustments in relation to working capital and debts as stated in the SPA. Further, it has been agreed that a deferred consideration of ₹ 50.00 million will be paid by our Company to the Sellers, upon Carenow receiving US FDA approval for its 'sterile barrier wound dressing' product and our Company will pay interest on such deferred compensation till January 31, 2022. The Sellers, pursuant to the terms of the SPA, have agreed that they shall not engage in any medtech business until the expiry of seven years from the later of: (i) closing date of the transaction, or (ii) when they cease to be employees of Carenow or our Company, subject to certain exceptions as specified in the SPA. Further, the Sellers have also agreed that they shall not solicit or deal with any customer of Carenow, in contravention of the provisions of SPA, until the expiry of seven years from the closing date of the transaction.

Further, our Company; Carenow; and Anand Venkatachalam, Thangaraj Rajkumar, and Michael Bastiao Rodrigues ("**Preference Shareholders**") entered into a put and call option agreement dated August 26, 2021 ("**Agreement**"), pursuant to which our Company may acquire 30 compulsorily convertible preference shares ("**CCPs**') of a face value of ₹ 100 each of Carenow, from the Preference Shareholders post September 30, 2024, at a price to be determined after the expiry of three years from closing date of the SPA basis the gross margin and revenue targets as specified in the Agreement. Further, purchase price payable by our Company shall not exceed ₹ 1740.00 million. If the price determined in accordance with the targets specified in the Agreement is less than ₹ 500.00 million, then the purchase price payable by our Company for acquisition of CCPs will be the aggregate of the par value of the CCPs held by the Preference Shareholders.

(iii) **Business transfer agreement dated May 26, 2021, as amended on July 9, 2021, executed amongst our Company, Sri Gopal Krishna Labs Private Limited, Viral Kisandas Parekh, Kisandas Kesurdas Parekh, Chaula Viral Parekh and Hansa Kisandas Parekh (the "Business Transfer Agreement" or "BTA")**

Pursuant to the terms of the Business Transfer Agreement, our Company (the "**Buyer**") purchased the business of manufacture and sale of surgical haemostatic gelatine sponge under the brand "AbGel",carried out by Sri Gopal Krishna Labs Private Limited (the "**Seller**"), as a going concern on a slump sale basis for a lumpsum purchase price. The business undertaking transferred to our Company pursuant to the BTA comprises of, *inter alia*, transfer of books, records and certain business assets, intellectual property, contracts, certain liabilities and employees. The upfront purchase consideration paid by the Buyer to the Seller was ₹ 500.00 million and the deferred purchase consideration to be paid by the Buyer to the Seller is ₹ 50.00 million. The Seller and its promoters, pursuant to the terms of the BTA, have agreed that they shall not undertake competing business until the expiry of seven years from the closing date of the transaction.

(iv) Acquisition of Quality Needles Private Limited by our Company

Our Company acquired 520,000 equity shares of Quality Needles Private Limited ("**QNPL**"), representing 99.79 % of the shareholding of QNPL, from TPG Growth II Markets Pte. Ltd. ("**Seller**") for an aggregate consideration of ₹ 4,490.50 million, as evidenced from (i) 'Seller Consent Letter' dated March 30, 2017; (ii) Letter, dated April 25, 2017 issued by the Company to the concerned government ministries, to intimate about the downstream investment made by the Company in QNPL; and (iii) the resolution passed in the meeting of board of directors of QNPL, held on March 30, 2017. The consideration for the aforementioned acquisition was paid by our Company to the Seller by way of: (i) issue of 11,965,193 equity shares of our Company to the Seller; and (ii) cash payment.

Further, our Company transferred the 520,000 equity shares of QNPL, acquired from the Seller, to one of its Material Subsidiary, Healthium OEM Private Limited ("**HOPL**"), for a consideration of allotment of 79,351,504 equity shares in HOPL to our Company, as evidenced from (i) the resolution passed in the meeting of the board of directors of QNPL on March 31, 2017, and (ii) the resolution passed in the meeting of the board of directors of HOPL on March 31,2017. HOPL also acquired 1,099 equity shares of QNPL from Mr. Mahadevan Narayanamoni, as evidenced from the resolution passed in the meeting of the board of directors of QNPL on April 1, 2017.

(v) **Settlement Agreement dated July 13, 2016, executed amongst our Company, Peekay Mediequip Limited, G. Shankar and Kavitha Shankar**

During the Fiscal 2013, our Company acquired 81.85% stake in Peekay Mediequip Limited ("**Peekay**"). In Fiscal 2017, our Company, Peekay and its promoters, i.e. G. Shankar and Kavitha Shankar (together, the "**Peekay Promoters**") entered into a settlement agreement dated July 13, 2016 ("**Settlement Agreement**"), pursuant to which the entire shareholding of our Company in Peekay, consisting of 12,201,580 equity shares were purchased by the Peekay Promoters for a consideration of ₹ 20.00 million. ("**Buyback Consideration**"). Our Company undertook to commence the process of withdrawing all proceedings initiated by it against Peekay and/or its promoters in any forum or authority, upon receipt of Buyback Consideration and transfer of equity shares from our Company to the Peekay Promoters. Further, Peekay and the Peekay Promoters acknowledged that an unsecured loan of an amount of ₹ 64.16 million was owed by them to our Company and they agreed to repay the same over a period of 24 months from the date of the Settlement Agreement. In the event of any default in repayment of unsecured loan as per the schedule agreed, the Settlement Agreement granted the right to our Company to initiate legal action against Peekay and/or the Peekay Promoters.

(vi) Acquisition of Clinisupplies Limited by Sironix Medical Technologies B.V.

Our Subsidiary, Sironix Medical Technologies B.V. ("**Buyer**") acquired 4,709 fully paid ordinary shares of GBP 0.02 each of Clinisupplies Limited on May 13, 2015 (as evidenced from stock transfer forms, each dated May 13, 2015) in the following manner: (i) 213 fully paid ordinary shares from Hemang Badiani; (ii) 752 fully paid ordinary shares from Christopher Portis; (iii) 1,504 fully paid ordinary shares from Ajay Patel; and (iv) 2,240 fully paid ordinary shares from Jayman Badiani.

Further, the Buyer and Hemang Badiani ("**Seller**") entered into a call option agreement dated May 13, 2015 ("**Agreement**"), pursuant to which the Seller gave the Buyer the right to purchase 4,691 fully paid ordinary shares of GBP 0.02 each of Clinisupplies Limited held by the Seller. The Buyer exercised the right provided by the Seller pursuant to the Agreement and acquired the said 4691 fully paid ordinary shares of Clinisupplies Limited from the Buyer for a consideration of GBP 6.25 million, as evidenced from stock transfer form dated April 25, 2016.

Therefore, in total, the Buyer acquired 9,400 fully paid ordinary shares of Clinisupplies Limited.

(vii) Acquisition of Clinidirect Limited by Sironix Medical Technologies B.V.

Our Subsidiary, Sironix Medical Technologies B.V. acquired 1,000 fully paid ordinary shares of GBP 1 each of Clinidirect Limited in the following manner, as evidenced from stock transfer forms, each dated May 13, 2015: (i) 80 fully paid ordinary shares from Christopher Portis; (ii) 160 fully paid ordinary shares from Ajay Patel; (iii) 238 fully paid ordinary shares from Jayman Badiani; and (iv) 522 fully paid ordinary shares from Hemang Badiani. Further, the share certificate dated May 13, 2015 issued by Clinidirect Limited also indicates that Sironix Medical Technologies B.V. is the registered holder of 1,000 fully paid ordinary shares of Clinidirect Limited.

(viii) Share purchase agreement dated July 1, 2021 executed by and amongst Clinisupplies Limited; Lewis Norman Calcutt; and Stephanie Calcutt

Our Material Subsidiary, Clinisupplies Limited ("**Buyer**"); Lewis Norman Calcutt ("**Seller 1**"); and Stephanie Calcutt ("**Seller 2**", together with Seller 1, the "**Sellers**") entered into a share purchase agreement dated July 1, 2021 ("**SPA**"), pursuant to which the Buyer acquired 100 ordinary shares of VitalCare Trading (UK) Limited ("**VitalCare**"), representing 100% of the issued and fully paid share capital of VitalCare, from the Sellers in the following manner: (i) 70 ordinary shares, representing 70% of the issued and fully paid share capital from Seller 1 and (ii) 30 ordinary shares, representing 30% of the issued and fully paid share capital from Seller 2. The upfront consideration paid by the Buyer for the acquisition was GBP 8.00 million, plus net cash and working capital adjustments. Further, an earn-out consideration of upto GBP 1.25 million, will be paid on achievement of certain milestones (together with upfront consideration, "**VitalCare Consideration**"). Further, Seller 1 and Seller 2 are entitled to 70% and 30% of the consideration, respectively.

Guarantees given by our Promoter Selling Shareholder

As on the date of this Draft Red Herring Prospectus, there are no guarantees given by our Promoter Selling Shareholder.

Summary of Key Agreements

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Shareholders' agreements

(i) Shareholders' Agreement dated September 14, 2020 executed by and amongst our Company, Quinag, Mahadevan Narayanamoni, Sudarshan Jain, Vishal Maheshwari, Kankana Barua

Our Company; Quinag, Mahadevan Narayanamoni, Sudarshan Jain, Vishal Maheshwari and Kankana Barua (the "**Initial Security Holders**") entered into a shareholders agreement dated September 14, 2020 ("**SHA**"), which sets out their rights and obligations. As on the date of execution of SHA, Quinag held 99.79% of the share capital of the Company and the remaining portion of the share capital was held by the Initial Security Holders. The SHA provides that on acquisition of shares by any third parties, they shall become parties to the SHA (together with the Initial Security Holders, the "**Minority Security Holders**"). Some of the key rights conferred on Quinag under the SHA are: (i) drag-along rights, i.e. the right to require the Minority Security Holders to sell their securities, either in part or in full to a third party purchaser or Quinag or its nominee. These rights are exercisable when Quinag intends to transfer its shareholding in our Company, such that it ceases to own more than 50% of the share capital of our Company, or if the entity holding ultimate control over Quinag indirectly ceases to have ownership of more than 50% of the share capital of our; (ii) 'call option', i.e. the right of Quinag to acquire all or part of securities held by any Minority Security Holder after he ceases to be employed/ engaged by the Company/ its holding or subsidiary companies, and/or prior to or on sale of 50% of the share capital of the Company. Further, some of the key rights provided to Minority Security Holders under the SHA include (i) tag-along rights; (ii) 'put option', i.e the right to sell their securities to Quinag or its nominees at fair market value while leaving the Company/ its holding or subsidiary companies. Apart from the rights, the Minority Security Holders are bound by various obligations, such as, *inter alia* (i) obligation to assist Quinag and Company during reorganisation or a liquidity event specified in the SHA; (ii) obligation to not transfer its securities, other than to its affiliates, or pursuant to exercise of drag-along rights or during a liquidity event, or with the prior consent of Quinag; (iii) confidentiality obligations; and (iv) non-compete obligations.

(ii) Amendment and Termination Agreement dated September 2, 2021 among our Company, Quinag, Mahadevan Narayanamoni, Sudarshan Jain, Vishal Maheshwari, Kankana Barua ("Termination Agreement")

Our Company has entered into an amendment and termination agreement dated September 2, 2021 with Quinag, Mahadevan Narayanamoni, Sudarshan Jain, Vishal Maheshwari, Kankana Barua, which provides for the termination of the SHA (*as mentioned above*), on and from the date of listing of the Equity Shares on the Stock Exchanges pursuant to the Offer. Further, Quinag has agreed that its information and inspection rights, amongst others, in relation to the Company shall fall away from the date of filing of the Red Herring Prospectus. Pursuant to the terms of the Termination Agreement, each party has consented to the issue and transfer of equity shares pursuant to the Offer and waived their respective pre-emptive and anti-dilutive rights and transfer restrictions in this regard.

Key terms of other subsisting material agreements

(i) Intellectual property assignment agreement dated April 1, 2020 executed by and amongst our Company and Dr. Hemanth Kumar Alladu

Our Company and Dr. Hemanth Kumar Alladu ("**Assignor**") entered into an intellectual property assignment agreement dated April 1, 2020 (the "**Assignment Agreement**") to record the terms and conditions of license and assignment of intellectual property rights in certain surgical products used in arthroscopy procedures ("**Developed Products**"), which were developed by the Assignor pursuant to a collaboration agreement previously entered into between our Company and the Assignor. As per the Assignment Agreement, the Assignor has exclusively licensed and assigned the patent rights and other intellectual property rights in the Developed Products, including any improvements thereto to our Company. Further, if the Assignor develops any new arthroscopy products that are different from the Developed Products or any improvements thereto, our Company will have the first right to refuse assignment of intellectual property rights to it in such new products. The consideration to be paid by our Company to the Assignor for license and assignment as mentioned above is divided into: (i) fixed payout and (ii) variable payout. The total fixed payout shall be ₹ 40.00 million, payable in equal annual instalment between financial years ending 2021 and 2024, If the Promoter's shareholding in the Company reduces to less than 20% of the outstanding voting securities of the Company prior to financial year ending March 31, 2024, the balance fixed payout amount will have to be paid on or prior to such reduction in the shareholding. Further, the variable payout shall be calculated in the manner set out in the Assignment Agreement. The Assignment Agreement is subject to certain other standard terms and conditions.

(ii) Intellectual property assignment agreement dated July 9, 2021 executed by and amongst our Company and Sri Gopal Krishna Labs Private Limited

Our Company and Sri Gopal Krishna Labs Private Limited ("**Assignor**"), along with other parties entered into a business transfer agreement dated May 26, 2021 ("**BTA**"), pursuant to which the business of the Assignor, comprising of the manufacture and sale of surgical haemostatic gelatine sponge under the brand "AbGel", including its intellectual property, was purchased by our Company on a going concern basis. For further details of the BTA, see *"Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus"* on page 174. In continuation to the business transfer agreement, our Company and the Assignor entered into an intellectual property transfer agreement dated July 9, 2021 ("**Agreement**"), pursuant to which the Assignor transferred and assigned to our Company all its entire worldwide rights, title, interest, ownership and benefits in relation to its intellectual property pertaining the business, specified in the BTA. The intellectual property transferred by the Assignor to our Company includes, *inter alia*, patents and patent applications; registered and unregistered trade names, trade dress, trademarks including the mark and logo 'AbGel'; copyrights and copyright registration; trade secrets, know how; domain names or uniform resource locators used in connection with any global computer or electronic network (including, without limitation, the Internet and the World Wide Web including the domain name 'www.abgel.in'. It was agreed that the consideration received by the Assignor under the BTA is sufficient consideration for transfer of intellectual property, and no separate consideration will be paid by our Company. Further, it has been agreed that each party shall keep confidential, the information received from the other party.

(iii) Assets Transfer Agreement dated October 3, 2017 executed by and amongst Healthium OEM Private Limited; and Amazing Rubber Products Private Limited.

Our Material Subsidiary, Healthium OEM Private Limited ("**Seller**") and Amazing Rubber Products Private Limited ("**Purchaser**") entered into an assets transfer agreement dated October 3, 2017 ("**Agreement**"), pursuant to which the Purchaser agreed to acquire the following: (i) right, title and interest of the Seller in immoveable assets, specified in the Agreement; (ii) right, title and interest of the Seller in moveable assets, specified in the Agreement; (iii) workers of the Seller, as specified in the Agreement; and (iv) all insurance policies obtained by the Seller in respect of the moveable assets. (together, the "**Transferred Assets**"), for a total consideration of ₹ 20.00 million. It was agreed that the sale and purchase of the Transferred Assets will be effective from December 30, 2017 ("**Closing Date**"). Further, the Seller and Purchaser have agreed that (i) neither of them shall solicit a client/customer of the other party; and (ii) they shall ensure confidentiality of all information received about the other party, pursuant to the Agreement, for at least 5 years from the Closing Date.

Our Holding Company

Quinag Acquisition (FDI) Ltd., our Promoter, is our holding company. For details, see "*Our Promoter and Promoter Group*" beginning on page 202.

Our Associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate company

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has twelve Subsidiaries.

<u>Indian Subsidiaries</u>

1. Healthium OEM Private Limited ("HOPL")*

Corporate Information

HOPL was originally incorporated in the name 'Sanrea Healthcare Private Limited' on September 19, 2001, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the

Registrar of Companies, Kerala at Ernakulam ("**RoC Ernakulam**"). The name of HOPL was thereafter changed to 'Truskin Gloves Private Limited', and it was issued a fresh certificate of incorporation dated January 31, 2008 by RoC Ernakulam. Subsequently, its name was changed again to 'Healthium OEM Private Limited' and a certificate of incorporation pursuant to such change of the name was issued by the RoC Ernakulam on July 28, 2017. Its CIN is U25191KA2001PTC133870 and its registered office is located at 472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru, Karnataka, India, 560058.

Nature of Business

HOPL is authorised to carry on the business of, *inter alia*, trading, manufacturing, processing, buying, selling, importing, exporting and dealing in all kinds of products including rubber gloves, latex gloves, polymer gloves, vinyl gloves, sheets and tubes for surgical and medical examination use, hospital, household and industrial use and such other commercial purpose. However, currently HOPL is not engaged in any business activity.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of HOPL is ₹ 840,000,000 divided into 84,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up equity share capital of HOPL is ₹ 831,193,630 divided into 83,119,363 equity shares of ₹ 10 each.

Our Company holds 83,119,363 equity shares of HOPL (including 1 equity shares held by its nominee shareholder, Mr. Ramdas Nagesh Nayak) aggregating to 100% of the total shareholding of HOPL.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of HOPL that have not been accounted for or consolidated by our Company.

* *The entity is in the process of being merged with our Company. For further details, please see – "Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus - Scheme of arrangement between our Company and Healthium OEM Private Limited" on page 175.*

2. Quality Needles Private Limited ("QNPL")

Corporate Information

QNPL was incorporated on March 15, 1984 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Its CIN is U74899DL1984PTC017706 and its registered office is located at FF-42, Omaxe Square , Commercial Center, Jasola, New Delhi, South Delhi, India, 110025.

Nature of Business

QNPL is currently engaged in the business of manufacturing, processing, importing, exporting, buying, selling, developing, altering, exchanging, improving, preparing for market or otherwise dealing in all sorts of surgical needles, surgical instruments, implements, tools, spare parts, appliances and plants.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of QNPL is ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up equity share capital of QNPL is ₹ 5,211,000 divided into 521,100 equity shares of ₹ 10 each.

Our Subsidiary, HOPL holds 521,099 equity shares of QNPL, aggregating to 99.99% of the total shareholding of QNPL. Further, Mr. Mahadevan Narayanamoni holds 1 equity share of QNPL, which aggregates a negligible percentage of the total shareholding of QNPL.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of QNPL that have not been accounted for or consolidated by our Company.

3. Carenow Medical Private Limited ("Carenow")

Corporate Information

Carenow was incorporated on September 9, 2010 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu. Its CIN is

U33119TZ2010PTC016376 and its registered office is located at 3/272-5 Neelambur Road, Muthugoundenpudur, Coimbatore, Tamil Nadu 641402.

Nature of Business

Carenow is currently engaged in the business of manufacturing of persistent anti-microbial products for infection control including anti-microbial oral hygiene, patient bathing wipes, incision cleansing swabs/wipes, advanced wound dressing, hand hygiene solutions, surface disinfection wipes, self-disinfecting textiles including protective sheets, airmask, reusable sanitary pads and others that help improve hygiene and prevent infections.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Carenow is ₹ 10,000,000 divided into 65,000 equity shares of ₹ 100 each and 35,000 preference shares of ₹ 100 each. The issued, and paid-up share capital of Carenow is ₹ 341,000 divided into 3,380 equity shares of ₹ 100 each and 30 compulsorily convertible preference shares of ₹ 100 each.

Our Company holds 3,380 equity shares of Carenow, aggregating to 100% of the total equity shareholding of Carenow.

Accumulated profits or losses

Since Carenow was acquired post March 31, 2021, the disclosure in relation to accumulated profits or losses of Carenow that have not been accounted for or consolidated by our Company, as on the date of this Draft Red Herring Prospectus, is not applicable.

Foreign Subsidiaries

4. Sironix Medical Technologies B.V. ("Sironix")

Corporate Information

Sironix was incorporated as a private limited company under the laws of Netherlands on March 20, 2015. Its registration number is 62917218 and its registered office is located at Herikerbergweg 88, 1101CM, Amsterdam, the Netherlands

Nature of Business

Sironix is currently engaged in the business of *inter alia* participation in and conducting the management of other business enterprises of whatever nature and financing third parties.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Sironix is EUR 100 divided into 100 ordinary shares with a nominal value of EUR 1 each. The issued and paid-up share capital of Sironix is EUR 100 divided into 100 ordinary shares of EUR 1 each.

Our Company holds 100 ordinary shares of Sironix, aggregating to 100% of the total shareholding of Sironix.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sironix that have not been accounted for or consolidated by our Company.

5. Sironium Medical Technologies Limited ("Sironium")

Corporate Information

Sironium was incorporated as a private limited company under the Companies Act, 2006 on April 26, 2017. Its registration number is 10742735 and its registered office is located at 1 Blackmoor Lane, Croxley Park, Watford, Hertfordshire, WD18 8GA.

Nature of Business

Sironium is currently engaged in the business of an investment holding company.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the share capital of Sironium is GBP 395,000 divided into 395,000 ordinary shares of GBP 1 each. The issued, subscribed and paid-up share capital of Sironium is GBP 395,000 divided into 395,000 ordinary shares of GBP 1 each.

Our Company holds 395,000 ordinary shares of Sironium, aggregating to 100% of the shareholding of Sironium.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sironium that have not been accounted for or consolidated by our Company.

6. Mena Medical Manufacturing (FZC) ("MENA")*

Corporate Information

MENA was incorporated as a limited liability company pursuant to Emiri Decree No. 2 of 1995 on July 09, 2012. Its registration numbers are 10806 and 10807 and its registered office is located at Sharjah Airport International Free Zone (SAIF-Zone), Post Box 9207, Sharjah, United Arab Emirates.

Our Company and Yasour Co. for Medical Supplies ("**Yasour**", together with the Company, the "**MENA Shareholders**"), entered into a joint venture agreement dated July 2, 2012 ("**JVA**") to record the terms and conditions of operation of MENA, which was jointly incorporated by the MENA Shareholders to manufacture and sell surgical devices in the Middle East and North African region. As per the JVA, the authorised share capital of the MENA is AED 150,000, divided into equity shares of AED 100 each. The percentage of shareholding of our Company and Yasour in the MENA is 51% and 49% respectively. The JVA also lays down the roles of each of the MENA Shareholders in relation to the operation of MENA. Our Company's responsibilities *inter alia* include supply of raw materials, semi-finished and finished goods to MENA; assistance in manufacturing, quality checks, logistics, legal certifications and; employment and training of staff required for conducting the operations. Further, Yasour's responsibilities *inter alia* include provision of assistance to MENA for obtaining and maintaining the required approvals and licenses and; taking steps towards sales and marketing of the products. MENA is currently undergoing liquidation and this JVA will stand terminated thereafter.

Nature of Business

MENA was initially engaged in the business of manufacturing and assembling of surgical devices. However, currently MENA is not engaged in any business activity.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the share capital of MENA is 150,000 Dirhams, divided into 1,500 shares of 100 Dirhams each. The issued, subscribed and paid-up share capital of MENA is 150,000 Dirhams divided into 1500 shares of 100 Dirhams each.

Our Company holds 765 shares of MENA, aggregating to 51% of the total shareholding of MENA.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of MENA that have not been accounted for or consolidated by our Company.

* *The entity is in the process of liquidation. For further details, please see "Risk Factors" on page 24.*

7. Clinidirect Limited ("Clinidirect")

Corporate Information

Clinidirect was incorporated as a private company (limited by shares) under the laws of England and Wales on February 21, 2012. Its registration number is 07957572 and its registered office is located at 1 Blackmoor Lane, Croxley Park, Watford, Hertfordshire, WD18 8GA.

Nature of Business

Clinidirect is currently engaged in the business of sales, marketing, and distribution of medical & non-medical accessories.

Capital Structure

The issued, subscribed and paid-up capital of Clinidirect is GBP 1,000 divided into 1,000 ordinary shares of GBP 1 each.

Our Subsidiary, Sironix holds 1,000 ordinary shares of Clinidirect, aggregating to 100 % of the total shareholding of Clinidirect.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Clinidirect that have not been accounted for or consolidated by our Company.

8. Clinisupplies Limited ("Clinisupplies")

Corporate Information

Clinisupplies was incorporated as a private limited company under the laws of England and Wales on June 13, 2000. Its registration number is 04013240 and its registered office is located at 1 Blackmoor Lane, Croxley Park, Watford, Hertfordshire, WD18 8GA.

Nature of Business

Clinisupplies is currently engaged in the business of, *inter alia*, manufacturing, importing and exporting, and dealing in every description of medical, surgical, chemical, dental, electrical, magnetic, photographic and general scientific materials, appliances and apparatus, and all kinds of goods, commodities, preparations and accessories ordinarily or which can conveniently be dealt in by proprietors of any such businesses.

Capital Structure

The issued and paid-up share capital of Clinisupplies is GBP 278, divided into (i) 9,400 ordinary shares of GBP 0.02 (2 pence) each, and (ii) 9,000 total G shares of GBP 0.01 (1 pence) each.

Our Subsidiary, Sironix holds 9,400 ordinary shares of Clinisupplies, which are all of the ordinary shares in issue.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Clinisupplies that have not been accounted for or consolidated by our Company.

9. Meditex Supplies Limited ("Meditex")

Corporate Information

Meditex was incorporated as a private limited company under the Companies Act, 1985 on January 04, 2007. Its registration number is 06041206 and its registered office is located at 1 Blackmoor Lane, Croxley Park, Watford, Hertfordshire, WD18 8GA.

Nature of Business

Meditex is currently engaged in the business of selling bandages and other related products.

Capital Structure

The issued, subscribed and paid-up capital of Meditex is GBP 400, divided into (i) 200 ordinary A shares of GBP 1 each, and (ii) 200 ordinary B shares of GBP 1 each.

Our Subsidiary, Clinisupplies holds 400 shares of Meditex, aggregating to 100% of the total shareholding of Meditex

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Meditex that have not been accounted for or consolidated by our Company.

10. VitalCare Trading (UK) Limited ("VitalCare")

Corporate Information

VitalCare was originally incorporated in the name 'VitalCare (UK) Limited' on March 5, 2003, as a private limited company under the Companies Act, 1985, pursuant to a certificate of incorporation issued by the Registrar of

Companies for England and Wales ("**RoC England and Wales**"). The name of VitalCare was thereafter changed to 'VitalCare Trading (UK) Limited', and it was issued a fresh certificate of incorporation dated December 24, 2003 by RoC England and Wales. Its registration number is 04687240 and its registered office is located at 36 The Metro Centre, Dwight Road, Watford WD18 9SB.

Nature of Business

VitalCare is currently engaged in the business of sales, marketing and manufacturing of white labelled urology and anal irrigation products.

Capital Structure

The issued, subscribed and paid-up capital of VitalCare is GBP 100 divided into 100 ordinary shares of GBP 1 each.

Our Subsidiary, Clinisupplies holds 100 ordinary shares, aggregating to 100% of the total shareholding of VitalCare.

Accumulated profits or losses

Since VitalCare was acquired post March 31, 2021, the disclosure in relation to accumulated profits or losses of VitalCare that have not been accounted for or consolidated by our Company, as on the date of this Draft Red Herring Prospectus, is not applicable.

11. VitalCare Limited ("VitalCare Ireland")

Corporate Information

VitalCare Ireland was incorporated as a private limited company under laws of Ireand on September 30, 2019. Its registration number is 657982 and its registered office is located at 6-9 Trinity Street, Dublin 2, Ireland, D02 EY47.

Nature of Business

VitalCare Ireland currently serves as an EC representative, under EU MDD to VitalCare China and its other customers in UK.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of VitalCare Ireland is Euros 100,000 divided into 100,000 ordinary shares of Euro 1 each. The issued and paid-up capital of VitalCare Ireland is Euros 100 divided into 100 ordinary shares of Euro 1 each.

Our Subsidiary, VitalCare holds 100 ordinary shares, aggregating to 100% of total shareholding of VitalCare Ireland.

Accumulated profits or losses

Since VitalCare Ireland was acquired post March 31, 2021, the disclosure in relation to accumulated profits or losses of VitalCare Ireland that have not been accounted for or consolidated by our Company, as on the date of this Draft Red Herring Prospectus, is not applicable.

12. VitalCare (Nanjing) Co. Limited ("VitalCare China")

Corporate Information

VitalCare China was incorporated as a private limited company under the Company Law of the People's Republic of China on November 7, 2014. Its registration number is 9132011832162157X8 and its registered office is located at No. 86-8 Shuanggao Road, Gaochun Economic Development Zone, Gaochun District, Nanjing, 211316, Jiangsu, PR.

Nature of Business

VitalCare China is currently engaged in the business of *inter alia*, producing class I, class II medical devices, selling self-produced goods, and processing imported medical devices.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the registered capital of VitalCare China is USD 2, 500,000.

Our Subsidiary, VitalCare has invested USD 2,500,000 by way of cash in VitalCare China and holds 100% stake in VitalCare China.

Accumulated profits or losses

Since VitalCare China was acquired post March 31, 2021, the disclosure in relation to accumulated profits or losses of VitalCare China that have not been accounted for or consolidated by our Company, as on the date of this Draft Red Herring Prospectus, is not applicable.

Common Pursuits between our Subsidiaries and our Company

Our Subsidiaries QNPL, Carenow, Clinidirect, Clinisupplies, Meditex, VitalCare, Vital Ireland, VitalCare China are involved in the same business operations as that of our Company. For further details, see *"-Our Subsidiaries*" and *"Risk Factors-Conflicts of interest may arise out of common business objects between our Company and certain Subsidiaries*" on pages 178 and 47.

Our Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three and not more than 15 Directors, however, our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, our Board comprises of eight Directors of whom two are Executive Directors, three are Non-Executive Independent Directors, including one women Director and three are Non-Executive Nominee Directors.

The following table sets forth details regarding our Board of Directors:

S. No.	Name, designation, date of birth, address, occupation, term and DIN	Age (years)	Other directorships
1.	**Ajay Gupta** ***Date of birth:*** May 26, 1964 ***Designation:*** Chairman and Non-Executive Independent Director ***Address:*** 1051 Romona Road, Wilmette, Illinois 60091, United States ***Occupation****:* Business consulting and health care expert ***Term****:* For a period of 3 consecutive years commencing from August 17, 2021 to August 16, 2024 ***Period of directorship*****:** Director since December 10, 2020 ***DIN****:* 08941393	57	*Indian companies* • ACN Infotech Private Limited *Foreign companies* • VIC Technology Venture Development • OnPoint Surgical, Inc • BJC Healthcare • Clinisupplies Limited
2.	**Anish Bafna** ***Date of birth:*** June 7, 1969 ***Designation:*** Managing Director and Chief Executive Officer ***Address****:* Villa no.83 Prestige Oasis, Adde Vishwanathapur Village, Off Doddaballapur Road, Rajanukunte Bengaluru 560064 ***Occupation****:* Service ***Term****:* For a period of 5 years, commencing from November 29, 2018 to November 28, 2023, not liable to retire by rotation ***Period of directorship*****:** Director since November 29, 2018 ***DIN****:* 02925792	52	*Indian companies* • Quality Needles Private Limited *Foreign companies* • Sironix Medical Technologies, BV • Cleardew Pacific INC
3.	**Mohammed Azeez** ***Date of birth:*** July 20,1971	50	*Indian companies* • Healthium OEM Private Limited

<table>
<tr><th>S. No.</th><th>Name, designation, date of birth, address, occupation, term and DIN</th><th>Age (years)</th><th>Other directorships</th></tr>
<tr><td></td><td>Designation: Whole-time Director and Chief Operating Officer

Address:
56, SMS Residency, behind Robert Bosch, Popular Colony,
Bengaluru South,
Bengaluru 560068

Occupation: Business

Term: For a period of 5 years, commencing from March 6, 2017 to March 5, 2022

Period of directorship: Director since November 26, 2014

DIN:03527725</td><td></td><td>• CareNow Medical Private Limited

<u>Foreign companies</u>

• Mena Medical Manufacturing (FZC)</td></tr>
<tr><td>4.</td><td>Ramesh Subrahmanian

Date of birth: April 24,1961

Designation: Non-Executive Independent Director

Address:
235 Arcadia Road A 06-07,
Singapore 289843

Occupation: Advisor

Term: For a period of 3 consecutive years commencing from August 17, 2021 to August 16, 2024

Period of directorship: Director since September 29, 2020

DIN:02933019</td><td>60</td><td><u>Indian companies</u>

NIL

<u>Foreign companies</u>

• Alchemy Advisors Pte Limited (Singapore)

• Everlife Holdings Pte Limited

• VitalCare Trading (UK) Limited</td></tr>
<tr><td>5.</td><td>Shashank Singh

Date of birth: June 3, 1976

Designation: Non-Executive Nominee Director

Address:
7-A, Manek Building,
11 L.D Ruparel Marg Malabar Hill,
Mumbai 400006

Occupation: Service

Term: For a period commencing from August 26, 2021, until such nomination is revoked by Quinag Acquisition (FDI) Limited

Period of directorship: Director since June 22, 2018

DIN:02826978</td><td>45</td><td><u>Indian companies</u>

• Zensar Technologies Limited

• Fractal Analytics Private Limited

• Shriram City Union Finance Limited

<u>Foreign companies</u>

• Azentio Software Private Limited

• IG Topco Corporation</td></tr>
<tr><td>6.</td><td>Steven Dyson

Date of birth: May 21, 1973

Designation: Non-Executive Nominee Director</td><td>48</td><td><u>Indian companies</u>

Nil

<u>Foreign companies</u></td></tr>
</table>

S. No.	Name, designation, date of birth, address, occupation, term and DIN	Age (years)	Other directorships
	***Address**:* 69 Priory Road, London NW6 3NH , United Kingdom ***Occupation**:* Partner at Apax Partners LLP ***Term**:* For a period commencing from August 26, 2021, until such nomination is revoked by Quinag Acquisition (FDI) Limited ***Period of directorship*:** Director since June 22, 2018 ***DIN**:*08145761		• Chiron Holdings GP Co. Limited • Dion Holdco Limited • Unilabs Holding AB • Vyaire Holding Company • Vyaire Intermediate Holdco GP LLC • Dion GP Co. Limited • Rodenstock GmbH • Iris EquityCo
7.	**Sudarshan Jain** ***Date of birth:*** June 6,1955 ***Designation:*** Non-Executive Nominee Director ***Address**:* Flat 101, 1st Floor, Jamuna Mahal CHS 73, Prabhat Colony, Santacruz East, Mumbai 400055 ***Occupation**:* Management Consultant ***Term**:* For a period commencing from August 26, 2021, until such nomination is revoked by Quinag Acquisition (FDI) Limited ***Period of directorship:*** Director since June 22, 2018 ***DIN**:*00927487	66	*Indian companies* • Abbott India Limited *Foreign companies* Nil
8.	**Namrata Kaul** ***Date of birth:*** March 15, 1964 ***Designation:*** Non-Executive Independent Director ***Address**:* Flat 401 Tower B6, The World Spa, Sector 30, Gurgaon, Haryana 122001 ***Occupation:*** Consultant ***Term**:* For a period of 3 consecutive years commencing from August 17, 2021 to August 16, 2024 ***Period of directorship:*** Director since August 17, 2021 ***DIN**:* 00994532	57	*Indian companies* • Havells India Limited • Schneider Electric Infrastructure Limited • Prime Securities Limited • Prime Research and Advisory Limited • Fusion Micro Finance Limited • Vivriti Capital Private Limited • Vivriti Asset Management Private Limited • Bhopal Smart Development Corporation Limited • Synergetics Management and Engineering Consultants Private Limited • Quality Needles Private Limited • Healthium OEM Private Limited *Foreign companies*

S. No.	Name, designation, date of birth, address, occupation, term and DIN	Age (years)	Other directorships
			Nil

Family relationship between our Directors and Key Managerial Personnel

None of our Directors and Key Managerial Personnel are related to each other.

Brief Biographies of Directors

Ajay Gupta is the Chairman and Non-Executive Independent Director of our Company. He holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi and a master's degree in business administration from Leland Stanford Junior University. He has more than 28 years of global management consulting experience. He was previously a senior partner at McKinsey & Company, Inc.

Anish Bafna is the Managing Director and Chief Executive Officer of our Company. He has a post graduate diploma in management from Institute of Management Development and Research, Pune. He has significant experience in the Healthcare industry. Prior to joining our Company, he worked with Baxter Healthcare (Asia) Pte Ltd as general manager, emerging Asia. He manages the overall operations and resources in the Company.

Mohammed Azeez is a Whole-time Director and the Chief Operating Officer of our Company. He holds a bachelor's degree in science from the Bangalore University and a master's degree in science, specialising in microbiology from Bangalore University. Prior to joining our Company, he was working with the United Medical Industries Co. Limited as a microbiologist, quality control supervisor and a quality assurance manager. He oversees all daily operations and sets strategies for overall production planning for both export and domestic business.

Ramesh Subrahmanian is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and qualified as a Chartered Accountant in England and Wales. He has significant experience in the pharmaceutical and medical devices industries. He previously worked at KCI Medical Asia Pte. Limited, Stryker Corporation and MERCK.

Shashank Singh is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in arts, specialising in economics, University of Delhi and bachelor's degree in arts and masters' degree in arts from Cambridge University. He also holds a master's degree in business administration from the Harvard Business School. He has over 16 years of experience in private equity investment advisory. He is currently a managing director at Apax Partners UK Limited.

Steven Dyson is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in biochemistry from Oxford University and a doctorate from Cambridge University. He has over 21 years of experience in private equity investment advisory. He is currently a partner and co-head of the healthcare team at Apax Partners LLP.

Sudarshan Jain is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in science, specialising in physics from Delhi University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has 40 years of experience in the Healthcare industry and Education sector. He previously worked at Abbott Healthcare Private Limited, Boots Pharmaceuticals Limited, Ethnor Limited and Piramal Healthcare and is presently the secretary general of the Indian Pharmaceutical Alliance.

Namrata Kaul is a Non-Executive Independent Director of our Company. She holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has also been awarded the chevening/gurukul scholarship in leadership and excellence programme by the Foreign and Commonwealth Office to study at the London School of Economics and Political Science. She was previously working with ANZ Grindlays Bank PLC and the Deutsche Bank AG.

Confirmations

None of our Directors is, or was a director of any listed company during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during his/her tenure.

Except as disclosed below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

Name of the Director	Name of the company	Name of the stock exchange	Date of delisting	Reasons for delisting	Date of revocation of delisting	Term (along with relevant dates) of Director(s) in the above company:
Shashank Singh	Patni Computer Systems Limited	BSE and NSE	28 May 2012	Simplify iGate Corporation's corporate structure	N/A	Joined board of directors on 8 February 2011, resigned from the board on 3 October 2012

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Anish Bafna

Anish Bafna was appointed as our Managing Director pursuant to an employment agreement dated August 17, 2018, and pursuant to a Board resolution dated November 29, 2018, and a special resolution passed by the Shareholders of the Company dated November 29, 2018. He was paid a gross total remuneration of ₹ 59.98 million* in Fiscal 2021. The details of remuneration governing his appointment as approved by the Board in their meeting held on November 29, 2018and the Shareholders in their meeting held on November 29, 2018, are stated below:

Particulars	Remuneration
Basic Salary	₹ 47.60 million
Performance Incentives	Annual target bonus of ₹20.40 million per annum. Further, variable pay to be paid as decided by our Board based on the achievement of certain performance parameters
Perquisites	Leave travel allowance, company car, medical hospitalisation, death cum accident insurance policy, stock options, and terms and conditions as per the employment agreement

**As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.*

Mohammed Azeez

Mohammed Azeez was appointed as our Whole-time Director pursuant to an employment agreement dated June 21, 2018 and pursuant to a Board resolution dated February 27, 2017, and a special resolution passed by the Shareholders of the Company dated March 6, 2017. He was paid a gross total remuneration of ₹ 7.81 million* in Fiscal 2021. The details of remuneration governing his appointment as approved by the Board in their meeting held on February 27, 2017 and the Shareholders in their meeting held on March 6, 2017, are stated below:

Particulars	Remuneration
Basic Salary	₹ 5.52 million, with annual increment up to 20 % per annum
Perquisites	Medical allowances, stock option, LTC, PF, gratuity etc as per the policy of the Company

**As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.*

Payment of benefit to Directors of our Company

Other than as disclosed below, our Company and our Subsidiaries have not paid any compensation or granted any benefit to any of our Directors (including contingent and deferred compensation) in all capacities in Financial Year 2021:

1. **Remuneration to Non-Executive Nominee Directors:**

   As on the date of this Draft Red Herring Prospectus, our Non- Executive Nominee Directors are not entitled any renumeration.

2. **Sitting Fees and commission paid to Non-Executive Independent Directors:**

   As on the date of this Draft Red Herring Prospectus, sitting fees as per the following shall be payable to our Non-Executive Independent Directors:

   - Sitting fee of ₹ 0.1 million per Board and committee's meetings respectively.
   - Eligibility to commission of up to 1% of net profits to be distributed equally amongst the Non-Executive Independent Directors, subject to a total remuneration cap of $50,000. For director's resident in India, Singapore and United States, the cap shall be, ₹ 3.70 million, S$70,000 and US$50,000, respectively.

3. **Remuneration paid to our Directors by our Subsidiaries**

Except for Ajay Gupta, who received remuneration of ₹ 1.13 million from Clinisupplies Limited, none of our Directors are entitled to remuneration from our Subsidiaries as on the date of this Draft Red Herring Prospectus.

Bonus or profit-sharing Plan of the Directors

Except for the performance based discretionary incentive paid to our executive directors, being Mohammed Azeez and Anish Bafna, none of our Directors are a party to any bonus or profit-sharing plan of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except as disclosed below, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Shashank Singh, Steven Dyson and Sudarshan Jain have been appointed as nominees of Quinag, pursuant to the provisions of our Articles of Association. For details see "*Description of Equity Shares and Terms of Articles of Association*" on page 496.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage Shareholding (%)
Sudarshan Jain	13,762	0.01
Anish Bafna	2	Negligible

Interest of Directors

Our Executive Directors may be interested to the extent of remuneration payable to them for leading the day to day business of the Company as well as to the extent of other remuneration, employee stock options held by them and reimbursement of expenses payable to them under our Articles of Association. Some of our Directors may hold positions as directors on the board of directors of our Subsidiaries and Group Company and as heads of certain business verticals. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law.

Except as stated in "*Other Financial Information - Related Party Transactions*" on page 289, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Other than, as disclosed in *"Other Financial Information - Related Party Transactions"* and *"Our Promoters and Promoter Group"* on pages 289 and 202 respectively, and the commission for profit payable to the Non-Executive Independent Directors, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration and sitting fees for services rendered as Directors.

Our Directors have no interest in any property acquired by our Company or proposed to be acquired by our Company or in the formation or promotion of our Company, nor do our Directors have any interest in transaction for the acquisition of land, construction of building and supply of machinery in relation to the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. Further, Anish Bafna, Ramesh Subrahmanian and Ajay Gupta, and their respective affiliates, Cleardew Pacific Inc., Alchemy Advisors Pte Ltd and Anshu Gupta Exempt Children's Trust hold equity and equity-linked securities in Tummel Holdco Limited, and there may be certain distributions in respect of these securities as determined by the board of directors of Tummel Holdco Limited. The holdings of Anish Bafna, Ramesh Subrahmanian, Ajay Gupta and their respective affiliates in Tummel Holdco Limited, constitutes less than 1% of the equity capital of the company. Neither Anish Bafna, Ramesh Subrahmanian nor Ajay Gupta are Directors of Tummel Holdco and have no influence over the decisions of Tummel Holdco Limited.

No sum has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or otherwise for services rendered by such Directors or by such firms or companies in connection with the promotion or formation of our Company.

None of the Directors have availed any loan from our Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

There is no existing transaction whereby Directors will receive any portion of the proceeds from the Offer. However, Shashank Singh and Steven Dyson have certain interests in the Apax IX fund, which has an indirect economic interest in the Company, as investors and carried interest holders in the Apax IX Fund. As on date of this Draft Red Herring Prospectus, there is no proposal whereby Shashank Singh and Steven Dyson will receive any portion of the proceeds from the Offer. However, as and when the general partner of Apax IX Fund decides to distribute any proceeds, they will be entitled to a portion of such proceeds on a pro-rata basis. Both Shashank Singh and Steven Dyson's interests represent less than 1% of the total capital of Apax IX Fund Further, Shashank Singh and Steven Dyson also do not have any control over any of the decisions of the Apax IX Fund.

Details of Service Contracts entered into by our Company

Except Anish Bafna who has entered into an employment agreement dated August 17, 2018 pursuant to which he is entitled to benefits upon termination of employment and Mohammed Azeez, who has entered into an employment agreement dated August June 21, 2018, no Directors have entered into a service contract with our Company.

Except as stated in "*Our Management – Interest of Directors*" "*Other Financial Information - Related Party Transactions*" and *"Our Promoters and Promoter Group"* on pages 190, 289 and 202, respectively, and to the extent of shareholding in our Company, as disclosed, our Directors do not have any other interest in our business.

Changes in Board in the last three years

Name of the Director	Date of Appointment/ Change/ Cessation	Reason
Shashank Singh	August 26, 2021	Appointment as Non-Executive Nominee Director
Sudarshan Jain	August 26, 2021	Appointment as Non-Executive Nominee Director
Steven Dyson	August 26, 2021	Appointment as Non-Executive Nominee Director
Namrata Kaul	August 17, 2021	Appointment as Non-Executive Independent Director
Ajay Gupta	August 17, 2021	Appointed as Chairman and Non-Executive Independent director
Ramesh Subrahmanian	August 17, 2021	Appointed as Non-Executive Independent Director
Anish Bafna	November 29, 2018	Appointment as Director and Managing Director
Ajay Gupta	December 10, 2020	Appointed as Additional Director
Ramesh Subrahmanian	September 29, 2020	Appointed as Additional Director
Shashank Singh	June 22, 2018	Appointment as Director
Sudarshan Jain	June 22, 2018	Appointment as Director
Steven Dyson	June 22, 2018	Appointment as Director

Borrowing Powers of our Board

In accordance with our Articles and pursuant to resolutions passed by the Board on June 11, 2021, the Board is authorised to raise or borrow not more than ₹ 500.00 million or on behalf of the Company from the members or from other persons, companies or banks or the directors may themselves advance money to the Company on such terms and conditions as may be approved by the Board. The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI ICDR Regulations and Listing Regulations, with respect to corporate governance, will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, including the Companies Act, SEBI ICDR Regulations and Listing Regulations in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI ICDR Regulations and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board has eight Directors, of whom two are Executive Directors, three are Non-Executive Independent Directors, including a woman Director, and three Non-Executive Nominee Directors.

Committees of the Board

In terms of the Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of the Board of directors:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee;

(e) Risk Management Committee; and

(f) IPO Committee

a) Audit Committee

The members of the Audit Committee are:

1. Ramesh Subrahmanian, Chairperson;
2. Shashank Singh; and
3. Namrata Kaul.

The Audit Committee was constituted by a meeting of the Board of Directors held on August 17, 2021. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;

    (b) Changes, if any, in accounting policies and practices and reasons for the same;

    (c) Major accounting entries involving estimates based on the exercise of judgment by management;

    (d) Significant adjustments made in the financial statements arising out of audit findings;

    (e) Compliance with listing and other legal requirements relating to financial statements;

    (f) Disclosure of any related party transactions; and

    (g) Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds authorized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency m onitoring the authorized of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances

13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussing with internal auditors on any significant findings and follow up thereon;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussing 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;

18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

19. Reviewing the functioning of the whistle blower mechanism;

20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying 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 and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority.

22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.

23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee has the following powers:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice; and

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

6. Statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and

(ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the Listing Regulations.

The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two-third independent directors.

b) Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Namrata Kaul, Chairperson;

2. Ajay Gupta; and

3. Steven Dyson.

The Nomination and Remuneration Committee was constituted pursuant to resolution passed by our Board in its meeting held on August 17, 2021 and reconstituted on September 1, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 17, 2021 are set forth below.

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

    (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority"; and

13. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

c) Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Shashank Singh, Chairperson;
2. Sudarshan Jain;
3. Ajay Gupta; and
4. Anish Bafna.

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on August 17, 2021. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 17, 2021 are set forth below.

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
3. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
4. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
5. To approve, register, refuse to register transfer or transmission of shares and other securities;
6. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
7. Allotment and listing of shares;
8. To authorise affixation of common seal of the Company;
9. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
10. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
11. To dematerialize or rematerialize the issued shares;
12. Ensure proper and timely attendance and redressal of investor queries and grievances;
13. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
14. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)

d) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Namrata Kaul, Chairperson;

2. Sudarshan Jain; and

3. Anish Bafna.

The Corporate Social Responsibility Committee was constituted pursuant to resolution passed by our Board in its meeting held on May 14, 2014 and was reconstituted on August 17, 2021. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 17, 2021 are set forth below.

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;

2. To recommend the amount of expenditure to be incurred on the CSR activities;

3. To monitor the CSR Policy and its implementation by the Company from time to time;

4. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

e) Risk Management Committee

The members of the Risk Management Committee are:

1. Sudarshan Jain, Chairman;

2. Shashank Singh;

3. Ramesh Subrahmanian; and

4. Anish Bafna.

The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on August 17, 2021. The scope and functions of the Risk Management Committee are in accordance with the Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 17, 2021 are set forth below.

1. To formulate a detailed risk management policy which shall include:

2. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

3. Measures for risk mitigation including systems and processes for internal control of identified risks.

4. Business continuity plan.

5. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

6. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

7. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

8. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

9. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

10. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee."

11. Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

f) IPO Committee

1. Shashank Singh, Chairman;

2. Ramesh Subrahmanian; and

3. Anish Bafna

The IPO Committee was constituted pursuant to resolution passed by our Board in its meeting held on September 1, 2021. The scope and functions of the IPO Committee are in accordance with the Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on September 1, 2021 are set forth below.

1. To make applications to the Government of India, Securities and Exchange Board of India **("SEBI"),** Reserve Bank of India **("RBI"),** or to any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

2. To finalise, approve and file the draft red herring prospectus with the SEBI, the red herring prospectus and prospectus with the SEBI, Registrar of Companies, Karnataka at Bangalore (the **"RoC"),** and other regulatory authorities and the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Offer as finalised by the Company, and take all such actions in consultation with the book running lead managers (the **"BRLMs")** as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations *I* corrections / modifications as may be required by the SEBI, the RoC or any other relevant governmental and statutory authorities or otherwise under applicable laws;

3. To decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto;

4. To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, public offer account bankers to the Offer, sponsor bank, registrar, legal advisors, advertising agency, monitoring agency and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment;

5. 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 Selling Shareholder(s) for offering their Equity Shares including the quantum in terms of number of Equity Shares/amount offered by the Selling Shareholder(s) in the Offer for Sale, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

6. To authorise the maintenance of a register of holders of the Equity Shares;

7. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the BRLMs' mandate or fee/ engagement letter, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements, addenda and corrigenda thereto, as may be required or desirable in relation to the Offer, with the power to authorise one or more officers of the Company to negotiate, execute and deliver any or all of the these documents;

8. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI and operate bank accounts opened in terms of the escrow agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

9. To seek, if required, the consent of the lenders to the Company and/or lenders to the subsidiary (if applicable), industry data provider, parties with whom the Company has entered into various commercial and other agreements, and any other consents and/or waivers that may be required in relation to the Offer;

10. To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the uniform listing agreement to be entered into by the Company with the relevant stock exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, (given the proposed listing of the Company);

11. To authorise and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;

12. To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investors offer price), total number of Equity Shares to be reserved for allocation to eligible investors, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

13. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

14. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

15. To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

16. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;

17. To withdraw the draft red herring prospectus, red herring prospectus and the Offer at any stage, if deemed necessary, in accordance with Applicable Laws and in consultation with the BRLMs;

18. To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including draft red herring prospectus, red herring prospectus and prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder(s) (as maybe applicable), as the case may be, in relation to the Offer;

19. To make applications for listing of the Equity Shares in one or more recognised stock exchange(s) in India and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

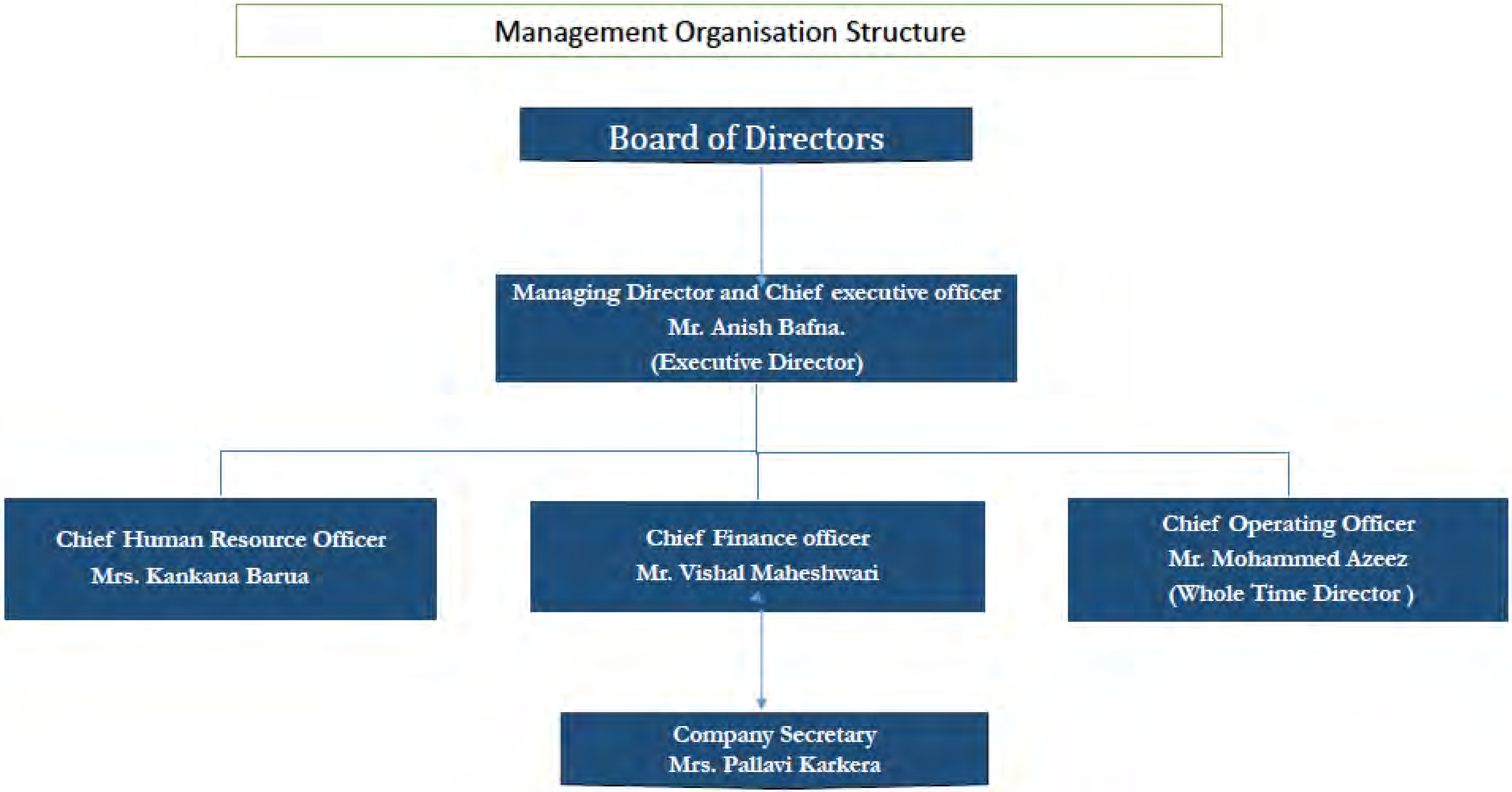
20. Authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

21. Determine the utilization of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;

22. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may, deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company; and

23. To invite the existing shareholders of the Company to participate in the Offer to offer for sale Equity Shares held by them at the same price as in the Offer."

Management Organisation Structure



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

Anish Bafna is the Managing Director and Chief Executive Officer of our Company. For details in relation to Anish Bafna, see "*Our Management – Brief Biographies of Directors*" on page 186.

Mohammed Azeez is the Whole-time Director and COO of our Company. For details in relation to Mohammed Azeez, see "*Our Management – Brief Biographies of Directors*" on page 186.

Vishal Maheshwari, aged 47 years, is the Chief Financial Officer of our Company. He was appointed as the CFO with effect from February 25, 2019. He is an associate member of the Institute of Chartered Accountants of India and a cost accountant from the Institute of Cost Accountants of India. Prior to joining our Company, he was working with Abbott Healthcare Private Limited and Indian Oil Corporation Ltd. During Fiscal 2021, he was paid a gross compensation of ₹ 16.83 million*. He is responsible for the overall planning and management of the group's financial affairs.

Pallavi Karkera, aged 36 years, is the Company Secretary of our Company. She was appointed as the Company Secretary with effect from January 11, 2020. She holds a bachelor's degree in commerce from the Mangalore University, a master's degree in commerce from Mangalore University and a master's degree in business law from the National Law School, of India University, Bangalore She is also an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was working as a company secretary for Toyota Financial Service India Limited, Ocwen Financial Solutions Private Limited and Ozone Propex Private Limited. During Fiscal 2021, she was paid a gross compensation of ₹ 1.41 million*. She performs and manages various regulatory functions of the Company.

Kankana Barua, aged 56 years, is the chief human resource officer of our Company. She was appointed as the chief human resource officer with effect from February 4, 2019. She holds a degree in law from the Tezpur Law College, Tezpur and a degree in human resource management from the Pondicherry University. She is also an associate member of company secretary from the Institute of Company Secretaries of India. Prior to joining our Company, she was working as a chief people officer for Tally Solutions Private limited. During Fiscal 2021, she was paid a gross compensation of ₹ 11.00 million*. She is responsible for overseeing all human resource functions and crafting talent acquisition strategies.

**As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.*

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Set out below are details of the Equity Shares held by the Key Managerial Personnel in our Company:

S. No.	Name	No. of Equity Shares	Pre-Offer (%)
1.	Vishal Maheshwari	34,399	0.04
2.	Kankana Barua	43,725	0.04
3.	Anish Bafna	2	Negligible

Bonus or Profit Sharing Plans

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given and the entitlement to receive employee stock options in the future.

Interests of Key Managerial Personnel

Except as stated in "*Our Management – Interest of Directors*" on page 190, the Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any. Further, some of our Key Managerial Personnel may hold positions as directors on boards of our Subsidiaries and Group Companies. However, these Key Managerial Personnel do not receive any remuneration or fee for being director of the subsidiaries/joint ventures in which they are director.

There is no contingent or deferred compensation payable to the Key Managerial Personnel.

Further, apart from remunerations our Key Managerial Personnel are also entitled to employee stock options.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as Key Managerial Personnel.

None of our Key Managerial Personnel have availed any loan from our Company.

Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Pallavi Karkera	Company Secretary	January 11, 2020	Appointment as Company Secretary
Pedda Kullayiswamy Reddy	Company Secretary	January 10, 2020	Resignation as the Company Secretary
Vishal Maheshwari	Chief Financial Officer	February 25, 2019	Appointment as Chief Financial Officer
Kankana Barua	Chief Human Resource Officer	February 4, 2019	Appointment as Chief Human Resource Officer

Payment or benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Service Contracts with Key Managerial Personnel

No Key Managerial Personnel have entered into a service contract with our Company pursuant to which such Key Managerial Personnel are entitled to any benefits upon termination of employment.

Employee stock option plan and employee stock purchase plan

For details of our employee stock option plans, see "*Capital Structure*" on page 69.

OUR PROMOTER AND PROMOTER GROUP

Quinag Acquisition (FDI) Limited ("**Quinag**") is the Promoter of our Company. Our Promoter currently hold an aggregate of 97,551,030 Equity Shares, aggregating to 99.79% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details, see "*Capital Structure*" on page 69.

Corporate Information

Quinag was incorporated on September 7, 2016, as a private company under the laws of Mauritius, having its registered office at C/o IQ EQ Fund Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius. Quinag Acquisition (FDI) Limited is wholly owned by Tummel Acquisition (FPI) Limited, a private company which is incorporated and validly existing under the laws of the Republic of Mauritius.

Quinag is engaged in the business of private equity investment and to carry out global business activities in accordance with the Financial Services Act, 2007, and to engage in any businesses whatsoever, which are not prohibited under the laws of Mauritius.

Quinag acquired the Equity Shares of our Company pursuant to the share purchase agreements dated April 6, 2018 and September 19, 2018.

Quinag has not changed its activities from the date of its incorporation.

Board of directors of our Promoter

The board of directors of Quinag comprises of the following:

1. Rooksana Shahabally;
2. Dieudonne Sebahunde;
3. Gordon James Purvis; and
4. Kamalam Pillay Rungapadiachy.

Shareholding Pattern of our Promoter

The shareholding pattern of Quinag as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of shareholder	Percentage of shareholding (%)
1.	Tummel Acquisition (FPI) Limited	100.00%

There has been no change in control in Quinag in the three immediately preceding years.

Promoters of our Promoter

The promoter of Quinag is Tummel Acquisition (FPI) Limited, a private company which is incorporated and validly existing under the laws of the Republic of Mauritius. Tummel Acquisition (FPI) Limited is directly owned by Tummel Holdco Limited, a private company which is incorporated and validly existing under the laws of the Republic of Mauritius (as set out in the shareholding pattern below). Tummel Holdco Limited is ultimately held by certain investment funds (collectively, the "**Apax IX Funds**") advised by Apax Partners LLP.

Apax IX Fund is an authorised closed-ended collective investment scheme in Guernsey. The general partner of Apax IX and the administrator of Apax IX, Apax Partners Guernsey Limited are licensed by the Guernsey Financial Services Commission to carry on investment activities under the Protection of Investors Law. All three are regulated entities and subject to the relevant regulations applicable to their activities.

Presently, no natural person holds fifteen percent or more of the voting rights in Tummel Acquisition (FPI) Limited and Tummel Holdco Limited.

There has been no change in management and control Tummel Acquisition (FPI) Limited.

Changes in control of our Company

There has been a change in the control of the Company in Fiscal 2018.

On June 22, 2018 Quinag acquired 1,614,260 equity shares of face value of ₹ 2 each, from L.G Chandrshekhar, 573,221 equity shares face value of ₹ 2 each from S.Subramanian, 2,347,220 equity shares face value of ₹ 2 each from Geetha Chandrsekhar, 5,581,612 equity shares face value of ₹ 2 each from Ambrose Private Limited, 113,908 equity shares face value of ₹ 2 each from AAJV Investment Trust, 638,000 equity shares face value of ₹ 2 each from Ajay Patel, 738,460 equity shares face value of ₹ 2 each from Hemang Badiani, 92,480 equity shares face value of ₹ 2 each from Christopher Portis, 33,693,133 equity shares face value of ₹ 2 each from TPG Growth II Markets Pte Ltd and 681,279 equity shares face value of ₹ 2 each from Menu Private Limited, aggregating of 46,073,573 Equity Shares, constituting 99.55% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the Company. Since June 22, 2018, Quinag has been the Promoter of the Company and no change in the management and control of the Company has happened since then.

Accordingly, as on the date of this Draft Red Herring Prospectus, our Company has one Promoter. For further details, please see *"History and Certain Corporate Matters" and "Capital Structure - Build-up of Promoters' Equity shareholding in our Company"* on page 173 and 71 of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where Quinag Acquisition (FDI) Limited is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Interests of Promoter

Our Promoter is interested in our Company to the extent that it is promoter of our Company and to the extent of its shareholding in the Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by it. For details, see "*Capital Structure"* on page 69.

Our Promoter has no interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Promoter or to the firms or companies in which our Promoter is interested as a member in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoter or by such firms or companies in connection with the promotion or formation of our Company.

Payment of benefits to our Promoter or our Promoter Group

Except as stated in "*Other Financial Information - Related Party Transactions*" and "*Our Management*", on pages 289 and 185 respectively, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the filing of the Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group.

Material guarantees given by our Promoter to third parties with respect to Equity Shares and Indebtedness of our Promoter

Our Promoter has not given any material guarantees to third parties with respect to the Equity Shares. Further, our Promoter, has availed a loan from certain overseas lenders and has accordingly, entered into certain security arrangements with such overseas lenders. Under these arrangements, the entire share capital of our Promoter, Quinag, has been pledged by Tummel Acquisition (FPI) Limited, the promoter of our Promoter. However, as per the terms of such arrangements, our Promoter's shareholding in our Company is not subject to any encumbrance.

Companies or firms with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated with any company or firm during the three years preceding the filing of the Draft Red Herring Prospectus.

Our Promoter Group

Our Promoter does not have any natural persons who are part of our Promoter Group. Other than our Promoter, the entity forming part of the Promoter Group is Tummel Acquisition (FPI) Limited.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on September 1, 2021 group companies of our Company shall include (i) the companies (other than our Subsidiaries) with which there were related party transactions as per Ind AS 24 as disclosed in the Restated Financial Information of the Company for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019; and (ii) such other company as deemed material by our Board. For the purposes of (ii) above, the Board has, pursuant to its resolution dated September 1, 2021, approved that for the purposes of disclosure in connection with the Offer, there is no other company considered material by the Board which shall be considered as a group company of our Company.

Accordingly, in terms of the policy adopted by our Board for determining group companies, our Board has identified (i) Tummel Holdco Limited, (ii) Yasour Co. for Medical Supplies, and (iii) Imperial Consulting (London) Limited as our group companies. An exemption application dated September 5, 2021 under Regulation 300(1)(c) of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from considering and disclosing (i) Yasour Co. for Medical Supplies and (ii) Imperial Consulting (London) Limited as group companies of the Company under the SEBI ICDR Regulations. The Board has approved the exemption application pursuant to the resolution dated September 5, 2021.

Details of our Group Company

1. Tummel Holdco Limited ("**Tummel**")

Corporate Information

The registered office of Tummel is situated at C/o IQ EQ Fund Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius.

Nature of Activities

Tummel is into the business of carrying out global business activities in accordance with the Financial Services Act, 2007.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from its audited financial statements (as applicable)is available at the website https://www.healthiummedtech.com/investorrelations/. This information is referred to as the "**Group Company Financial Information**".

Our Company is providing a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulations.

Nature and extent of interest of our Group Company

a. ***In the promotion of our Company***

Our Group Company does not have any interest in the promotion of our Company.

b. ***In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Company is not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits between our Group Company and our Company

Our Group Company is not in the same line of business as our Company and our Subsidiaries and there are no common pursuits between our Group Company and our Company and our Subsidiaries.

Related Business Transactions with the Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Other Financial Information – Related Party Transactions*" on page 289, there are no other related business transactions between our Company and our Group Company..

Business interest of our Group Company in our Company

Except as disclosed above and as disclosed in "*Other Financial Information – Related Party Transactions*" on page 289 in this section, our Group Company has no business interest in our Company.

Litigation

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 453, our Group Company is not a party to any pending litigations which will have a material impact on our Company.

Other confirmations

Our Group Company is not listed on any stock exchange.

Our Group Company has not made any public or rights issue of securities in the preceding three years.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act and provisions of the Listing Regulations. Our Company may pay dividend by cheque, electronic clearance service, as will be approved by our Board in the future. Our Company may also, from time to time, pay interim dividends. The quantum of dividend to be distributed, if any, will depend on a number of factors, including profit earned during the current financial year, overall financial conditions, cost of raising funds from alternative sources, money market conditions, expansion plans and macro-economic conditions. In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents.

Except as disclosed below, our Company has not declared any dividends during the last three Fiscals, and in the current Fiscal until the date of this Draft Red Herring Prospectus, on the Equity Shares:

Particulars	April 1, 2021 till date	Fiscal 2021	Fiscal 2020	Fiscal 2019
No. of Equity Shares	97,761,124	46,280,564	46,237,064	46,237,064
Face value per share (in ₹) (A)	1	2	2	2
Interim Dividend (in ₹ million)	-	312.39	673.19	72.60
Interim Dividend per share (in ₹) (B)	-	6.75	14.56	1.57
Rate of Interim dividend (%) (C=B/A)	-	337.50%	728.00%	78.50%
Dividend Distribution Tax (%)	-	NA	17.47%	17.30%
Dividend Distribution Tax ('DDT') on dividend (in ₹ million)	-	0.94*	143.23	13.98

**Dividend Distribution Tax of INR 0.94 million for the year ended March 31, 2021 relates to unpaid Dividend Distribution Tax for Fiscal 2020 and 2019.*

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future. There is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements and the financial performance of our Subsidiaries*" on page 46. The Company has adopted formal dividend policy *vide* board resolution dated September 1, 2021.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[The remainder of this page has been intentionally left blank.]

Independent Auditors' Examination Report on the restated consolidated summary statements of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, restated consolidated summary statement of profit and loss (including other comprehensive income/(loss)), restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, summary statement of significant accounting policies and other explanatory information of Healthium Medtech Limited (collectively, the "Restated Consolidated Summary Statements")

To
The Board of Directors
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
No. 472/D, 4th Phase, 13th Cross,
Peenya Industrial Area,
Bengaluru,
Karnataka - 560058

Dear Sirs:

1. We, S.R. Batliboi & Associates LLP ("we" or "us"), have examined the attached Restated Consolidated Summary Statements of Healthium Medtech Limited (the "Company") and its subsidiaries (the Company together with its subsidiaries hereinafter referred to as "the Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares of face value of Re. 1 each of the Company (the "Offering"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on September 01, 2021, have been prepared in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of the Restated Consolidated Summary Statements, which are to be included in the DRHP is the responsibility of the management of the Company. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation, as stated in note 2.1 to the Restated Consolidated Summary Statements. The management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The management is also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

   a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 23, 2021, requesting us to carry out the assignment, in connection with the proposed Offering of the Company;
   b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI;
   c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Summary Statements; and
   d) the requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offering.

4. The Company proposes to make an initial public offering of its equity shares of face value of Re. 1 each, which comprises a fresh issue of its equity shares and an offer for sale by certain existing shareholders, at such premium arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Company's Board of Directors.

Restated Consolidated Summary Statements

5. These Restated Consolidated Summary Statements have been compiled by the management of the Company from audited consolidated financial statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, which were prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meeting held on July 15, 2021, July 10, 2020 and June 13, 2019 respectively.

6. For the purpose of our examination, we have relied on:

   a) Auditors' reports issued by us, dated July 15, 2021, July 10, 2020 and June 13, 2019 on the consolidated financial statements of the Group as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 as referred in paragraph 5 above.

   b) As indicated in our audit reports referred to in paragraph 6 (a) above, we did not audit the financial statements of subsidiaries as listed in Annexure A, as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) (without giving effect to elimination of the inter company transactions), as tabulated below:

(Rs. In million)

As at and for the year ended	Total assets of subsidiaries	Total revenue of subsidiaries	Net cash inflow/ (outflow) of subsidiaries
March 31, 2021	8,134.56	2,395.20	209.00
March 31, 2020	5,979.93	2,100.05	36.93
March 31, 2019	5,730.10	1,883.72	(96.81)

These financial statements have been audited by other firms of Chartered Accountants as listed in Annexure A, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the financial statements referred to in paragraph 5 above are based solely on the report of other auditors. Further, of these subsidiaries, certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by Other Auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

   c) As indicated in our audit reports referred to in paragraph 6 (a) above, the unaudited financial statements in respect of subsidiaries as at and for the years ended March 31, 2020 and March 31, 2019, were based on the management certified financial statements, as tabulated below:

(Rs in million)

Name of the subsidiary	As at and for the year ended	Total Assets of subsidiary	Total revenues of subsidiary	Total Net Cash Inflows / (Outflows) of subsidiary
Sironix Medical Technologies BV	March 31, 2020	1,657.19	Nil	(0.94)
Sironix Medical Technologies BV	March 31, 2019	1,579.93	Nil	(31.76)
Sironium Medical Technologies Limited	March 31, 2019	0.38	Nil	0.15

The financial statements of entities mentioned in paragraph 6(c) above have subsequently been audited by other auditors as given in Annexure B attached herewith.

d) Examination report received from Other Auditors relates to the audits of the Company's subsidiaries as mentioned in Annexure B for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and accordingly reliance has been placed on the restated summary statement of assets and liabilities, the restated summary statement of profit and loss (including other comprehensive income/(loss)), restated summary statement of cash flows, restated summary statement of changes in equity, the restated summary statement of significant accounting policies, and other explanatory information ("Restated Summary Statements") examined by them for the said periods. The examination report included for the said periods is based solely on the examination reports submitted by the Other Auditors. The Other Auditors have also confirmed that the Restated Summary Statements:

(i) have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively for the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Company for the year ended March 31, 2021;
(ii) do not require any adjustments as there are no matters giving rise to modifications; and
(iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. The audit report on consolidated financial statements of the Group as at and for the year ended March 31, 2020 referred to in paragraph 6(a) above included an Emphasis of Matter paragraph as follows:

We draw attention to note 1(c) to the consolidated Ind AS financial statements which describes the fact that the pandemic COVID-19 would cause various economic and social disruption to the Group impacting trade receivables and carrying value of all other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the consolidated Ind AS financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of the above matter.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the Other Auditors as referred to in paragraph 6(d) above in respect of the Company's subsidiaries, we report that:

(i) the Restated Consolidated Summary Statements of the Group have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2021;
(ii) there are no qualifications in the auditors' reports on the consolidated audited financial statements of the Group as at March 31, 2021, March 31, 2020 and March 31, 2019 which require any adjustments to the Restated Consolidated Summary Statements; and
(iii) the Restated Consolidated Summary Statements of the Group have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to March 31, 2021.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Other Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

12. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited, in connection with the proposed Offering. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

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

per Rajeev Kumar
Partner
Membership Number: 213803

Unique Document Identification Number (UDIN): 21213803AAAAEG8328

Place of Signature: Bengaluru, India
Date: September 01, 2021

Annexure A

List of subsidiaries of the Company audited by Other Auditors

Name of the Entity	Relationship	Name of Audit Firm	Period audited by Other Auditors
Healthium OEM Private Limited	Subsidiary	ASA & Associates LLP	As at and for the year ended March 31, 2021 and March 31, 2020
Healthium OEM Private Limited	Subsidiary	Krishnamoorthy and Krishnamoorthy	As at and for the year ended March 31, 2019
Mena Medical Manufacturing FZC	Subsidiary	Abdulla Al Hashemi Auditing	As at and for the year ended March 31, 2021
Mena Medical Manufacturing FZC	Subsidiary	The Middle East Auditing Office	As at and for the year ended March 31, 2020 and March 31, 2019
Sironix Medical Technologies BV	Subsidiary	ASA & Associates LLP	As at and for the year ended March 31, 2021
Sironium Medical Technologies Limited	Subsidiary	Saymur Accountants Limited	As at and for the year ended March 31, 2021 and March 31, 2020
Clinisupplies Limited	Subsidiary of Sironix Medical Technologies BV	Saymur Accountants Limited	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
Clinidirect Limited	Subsidiary of Sironix Medical Technologies BV	Saymur Accountants Limited	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
Meditex Supplies Limited	Subsidiary of Clinisupplies Limited	Saymur Accountants Limited	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019

Annexure B

List of subsidiaries audited by Other Auditors who have issued their examination reports

Name of Component	Name of the other auditor	Period covered
Healthium OEM Private Limited	ASA & Associates LLP	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
Sironix Medical Technologies BV	ASA & Associates LLP	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
Clinisupplies Limited (including Meditex Supplies Limited)	Saymur Accountants Limited	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
Clinidirect Limited	Saymur Accountants Limited	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019
Sironium Medical Technologies Limited	Saymur Accountants Limited	As at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

in INR million

	Annexure VI Notes	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Assets				
Non-current assets				
Property, plant and equipment	3	1,094.20	1,147.54	1,136.24
Capital work in progress	3	54.46	47.53	124.65
Goodwill	4 (A)	1,224.92	1,224.92	1,224.92
Other Intangible assets	4 (B)	162.58	104.68	50.87
Intangible assets under development	4 (B)	2.86	1.76	-
Right-of-use assets	5	449.97	260.39	165.89
Financial assets				
Investments	6	0.02	0.02	0.02
Loans	6	61.63	64.72	68.30
Other financial assets	6	65.43	19.87	27.58
Income tax assets (Net)		232.65	121.82	72.30
Deferred tax assets (Net)	19	196.95	246.50	202.39
Other non-current assets	10	49.61	68.63	26.02
		3,595.28	**3,308.38**	**3,099.18**
Current assets				
Inventories	7	1,287.21	1,252.57	1,306.64
Financial assets				
Investments	6	38.67	36.59	181.41
Trade receivables	8	1,096.43	1,218.11	1,045.11
Cash and cash equivalents	9	1,088.12	317.78	564.18
Loans	6	3.63	3.99	5.10
Bank balances other than cash and cash equivalents	6	130.53	223.37	162.81
Other financial assets	6	88.27	197.87	162.19
Other current assets	10	589.63	544.42	306.80
		4,322.49	**3,794.70**	**3,734.24**
Total assets		**7,917.77**	**7,103.08**	**6,833.42**
Equity and liabilities				
Equity				
Equity share capital	11	92.56	92.47	92.47
Other equity	13	5,092.91	4,479.41	4,981.60
Total equity		**5,185.47**	**4,571.88**	**5,074.07**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	14	762.98	421.04	362.00
Lease liabilities	5	305.95	135.57	44.13
Other financial liabilities	16	122.48	53.82	50.74
Provisions	18	2.22	18.74	-
Other non-current liabilities	17	6.02	8.27	18.00
		1,199.65	**637.44**	**474.87**
Current liabilities				
Financial liabilities				
Borrowings	14	202.24	319.57	100.49
Lease liabilities	5	70.26	38.88	25.17
Trade payables	15			
- total outstanding dues of micro and small enterprises		15.24	20.82	52.81
- total outstanding dues of creditors other than micro and small enterprises		663.55	626.77	401.04
Other financial liabilities	16	275.28	497.58	556.29
Other current liabilities	17	243.35	186.21	59.12
Provisions	18	50.02	172.64	40.84
Current tax liabilities (Net)		12.71	31.29	48.72
		1,532.65	**1,893.76**	**1,284.48**
Total liabilities		**2,732.30**	**2,531.20**	**1,759.35**
Total equity and liabilities		**7,917.77**	**7,103.08**	**6,833.42**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 1 September 2021

For and on behalf of Board of Directors of Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 1 September 2021

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

in INR million

	Annexure VI Notes	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	20	7,133.57	6,391.79	5,840.20
Other income	21	94.77	101.65	12.91
Finance income	22	39.24	30.37	35.93
Total income (I)		**7,267.58**	**6,523.81**	**5,889.04**
Expenses				
Cost of raw material and components consumed	23 (a)	1,480.33	1,122.14	1,265.13
Purchase of traded goods	23 (b)	1,228.11	952.35	770.44
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	23 (c)	(21.18)	105.98	(6.46)
Employee benefits expense	24	1,698.32	1,670.46	1,484.92
Finance costs	26	94.87	92.17	71.87
Depreciation and amortization expense	25	353.31	315.13	265.29
Other expenses	27	1,323.70	1,525.26	1,399.91
Total expense (II)		**6,157.46**	**5,783.49**	**5,251.10**
Restated Profit before exceptional items and tax (III) [I-II]		**1,110.12**	**740.32**	**637.94**
Exceptional items (IV)	43	20.21	(161.51)	(394.90)
Restated Profit before tax (V) [III- IV]		**1,130.33**	**578.81**	**243.04**
(1) Current tax	19	274.47	295.75	207.05
(2) Income tax credit pertaining to earlier period	19	(43.53)	(39.76)	-
(3) Deferred tax charge/(credit)	19	45.11	(44.78)	(101.32)
Income tax expense (VI)		**276.05**	**211.21**	**105.73**
Restated Profit for the year (VII) [V-VI]		**854.28**	**367.60**	**137.31**
Other comprehensive income/(loss)				
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains/(losses) on defined benefit plans	31	3.34	0.43	(2.70)
Income tax effect on above	19	(0.69)	(0.36)	0.98
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss:				
Net exchange (losses)/gains on translation of foreign operations		(11.56)	(75.35)	43.39
Income tax effect on above		-	-	-
Other comprehensive income/(loss) for the year, net of tax (VIII)		**(8.91)**	**(75.28)**	**41.67**
Restated total comprehensive income for the year, net of tax (IX) [VII+VIII]		**845.37**	**292.32**	**178.98**
Restated profit for the year attributable to equity holders of the parent		**854.28**	**367.60**	**137.31**
Restated total comprehensive income for the year attributable to equity holders of the parent		**845.37**	**292.32**	**178.98**
Restated Earnings per share	28			
Basic, computed on the basis of restated profit attributable to equity holders of the parent		18.47	7.95	2.97
Diluted, computed on the basis of restated profit attributable to equity holders of the parent		18.47	7.95	2.97

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 1 September 2021

For and on behalf of Board of Directors of

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 1 September 2021

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
CIN: U03311KA1992PLC013831
Annexure III - Restated Consolidated Summary Statement of Changes in Equity

in INR million

a. Equity share capital:

Equity shares of INR 2 each issued, subscribed and fully paid (31 March 2020 : INR 2 ; 31 March 2019 : INR 2)	**Number**	**Amount**
As at 1 April 2018	**46,117,324**	**92.23**
Shares issued during the year (Refer note 11(i))	119,740	0.24
As at 31 March 2019	**46,237,064**	**92.47**
As at 31 March 2020	**46,237,064**	**92.47**
Shares issued during the year (Refer note 11(ii))	43,500	0.09
As at 31 March 2021	**46,280,564**	**92.56**

b. Other equity
For the year ended 31 March 2019

	Attributable to the equity holders of the parent						
	Reserves and surplus (Note 13)					OCI (Note 13)	
	Securities premium	Share-based payment (SBP) reserves	General reserve	Capital reserve	Retained earnings	Exchange differences on translating the summary statements of a foreign operation	Total other equity
As at 1 April 2018	**5,639.42**	**66.25**	**1,768.06**	**(4,487.20)**	**2,028.79**	**(98.53)**	**4,916.79**
Restated profit for the year	-	-	-	-	137.31	-	**137.31**
Other comprehensive income/(loss)							
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(1.72)	-	**(1.72)**
Net exchange differences on translation of foreign operations, net of tax effect	-	-	-	-	-	43.39	**43.39**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**135.59**	**43.39**	**178.98**
Issue of equity shares on exercise of options (Note 13)	38.66	(8.66)	-	-	-	-	**30.00**
On cancellation of options due to cash settlement (Note 13)	-	(136.19)	-	-	-	-	**(136.19)**
Share based payment (Note 13)	-	78.60	-	-	-	-	**78.60**
Cash dividends (Note 12)	-	-	-	-	(72.60)	-	**(72.60)**
Dividend distribution tax (DDT) (Note 12)	-	-	-	-	(13.98)	-	**(13.98)**
Transfer to general reserve	-	-	101.59	-	(101.59)	-	**-**
As at 31 March 2019	**5,678.08**	**-**	**1,869.65**	**(4,487.20)**	**1,976.21**	**(55.14)**	**4,981.60**
Ind AS 116 transition adjustment (refer Annexure VII)	-	-	-	-	1.72	-	**1.72**
As at 1 April 2019	**5,678.08**	**-**	**1,869.65**	**(4,487.20)**	**1,977.93**	**(55.14)**	**4,983.32**

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
CIN: U03311KA1992PLC013831
Annexure III - Restated Consolidated Summary Statement of Changes in Equity

in INR million

For the year ended 31 March 2020

	Attributable to the equity holders of the parent						
	Reserves and surplus (Note 13)					OCI (Note 13)	
	Securities premium	Share-based payment (SBP) reserves	General reserve	Capital reserve	Retained earnings	Exchange differences on translating the summary statements of a foreign operation	Total other equity
As at 1 April 2019	**5,678.08**	**-**	**1,869.65**	**(4,487.20)**	**1,977.93**	**(55.14)**	**4,983.32**
Restated profit for the year	-	-	-	-	367.60	-	**367.60**
Other comprehensive income/(loss)							
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	0.07	-	**0.07**
Net exchange differences on translation of foreign operations, net of tax effect	-	-	-	-	-	(75.35)	**(75.35)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**367.67**	**(75.35)**	**292.32**
Share based payment (Note 13)	-	20.19	-	-	-	-	**20.19**
Cash dividends (Note 12)	-	-	-	-	(673.19)	-	**(673.19)**
Dividend distribution tax (DDT) (Note 12)	-	-	-	-	(143.23)	-	**(143.23)**
As at 31 March 2020	**5,678.08**	**20.19**	**1,869.65**	**(4,487.20)**	**1,529.18**	**(130.49)**	**4,479.41**

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
CIN: U03311KA1992PLC013831
Annexure III - Restated Consolidated Summary Statement of Changes in Equity

in INR million

For the year ended 31 March 2021

	Attributable to the equity holders of the parent						
	Reserves and surplus (Note 13)					OCI (Note 13)	
	Securities premium	Share-based payment (SBP) reserves	General reserve	Capital reserve	Retained earnings	Exchange differences on translating the summary statements of a foreign operation	Total other equity
As at 1 April 2020	**5,678.08**	**20.19**	**1,869.65**	**(4,487.20)**	**1,529.18**	**(130.49)**	**4,479.41**
Restated profit for the year	-	-	-	-	854.28	-	**854.28**
Other comprehensive income/(loss)							
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	2.65	-	**2.65**
Net exchange differences on translation of foreign operations, net of tax effect	-	-	-	-	-	(11.56)	**(11.56)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**856.93**	**(11.56)**	**845.37**
Issue of equity shares on Preferential allotment (Note 11 (ii))	19.95	-	-	-	-	-	**19.95**
Share based payment (Note 13)	-	61.51	-	-	-	-	**61.51**
Cash dividends (Note 12)	-	-	-	-	(312.39)	-	**(312.39)**
Dividend distribution tax (DDT) (Note 12)	-	-	-	-	(0.94)	-	**(0.94)**
As at 31 March 2021	**5,698.03**	**81.70**	**1,869.65**	**(4,487.20)**	**2,072.78**	**(142.05)**	**5,092.91**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 1 September 2021

For and on behalf of Board of Directors of
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 1 September 2021

Annexure IV - Restated Consolidated Summary Statement of Cash Flows

in INR million

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Operating activities			
Restated Profit after exceptional items and before tax	**1,130.33**	**578.81**	**243.04**
Adjustments to reconcile restated profit after exceptional items and before tax to net cash flows:			
Depreciation of property, plant and equipment and Right of use assets	290.76	279.87	238.81
Amortisation of intangible assets	62.55	35.26	26.48
Impairment expense on Capital Work in Progress ("CWIP")	5.45	-	-
Loss/(gain) on sale/write off of property, plant and equipment (net)	4.72	6.56	(0.13)
Share-based payment expense (net of cash settlement in FY 2018-2019)	40.29	41.41	16.82
Net unrealised foreign exchange differences	(43.06)	(68.24)	61.26
Interest income	(39.24)	(30.37)	(35.93)
Interest expense	94.87	92.17	71.87
Liabilities/ provisions no longer required written back	(2.40)	(23.34)	(1.29)
Allowances for doubtful debts and advances	19.22	42.35	18.42
Provision for expected loss from sale/liquidation of subsidiary (Refer note 30)	-	53.57	-
Dividend income	(0.26)	(4.46)	(5.20)
Bad debts written off	0.02	1.56	-
(Profit)/ Loss on sale of investments	(2.41)	0.24	(3.85)
Fair value gain on financial instruments at fair value through profit or loss	17.66	(0.52)	(1.51)
Working capital adjustments:			
(Increase)/ decrease in trade receivables	102.35	(200.60)	211.75
(Increase)/ decrease in loans	3.45	4.69	(11.64)
(Increase)/ decrease in inventories	(5.78)	56.20	(57.99)
(Increase)/ decrease in other financial assets including bank balances other than cash and cash equivalents	30.17	(36.63)	(70.22)
(Increase)/ decrease in other assets	(45.15)	(241.74)	(20.50)
Increase/ (decrease) in other liabilities and provisions	(58.68)	214.76	(10.68)
Increase/ (decrease) in trade payables and other financial liabilities	(26.97)	96.54	145.04
	1,577.89	898.09	814.55
Income tax paid	(356.60)	(308.85)	(300.17)
Net cash flows from/ (used in) operating activities (A)	1,221.29	589.24	514.38
Investing activities			
Proceeds from sale of property, plant and equipment	10.42	19.04	2.00
Purchase of property, plant and equipment, including capital work in progress and capital advances*	(184.04)	(247.63)	(330.89)
Purchase of intangible assets	(15.73)	(73.54)	(3.09)
Proceeds from sale of current investments (net)	1.08	145.10	29.20
Proceeds from/ (investments in) bank deposits and margin money deposit (net)	103.93	(38.83)	169.98
Interest received	62.02	17.30	36.62
Dividend income	0.26	4.46	5.20
Net cash flows from/ (used in) investing activities (B)	(22.06)	(174.10)	(90.98)
Financing activities			
Proceeds from issuance of share capital	20.04	-	30.24
Interest paid	(167.21)	(35.52)	(50.49)
Proceeds from/(repayment of) long term borrowings, net (Refer note 14)	197.24	(10.32)	(172.95)
(Repayment of)/Proceeds from current borrowings, net	(117.33)	219.08	100.49
Repayment of lease liabilities	(66.60)	(28.85)	(20.82)
Dividends paid to equity share holders	(312.39)	(673.19)	(72.60)
Dividend distribution tax paid	(0.94)	(143.23)	(13.98)
Net cash flows from/ (used in) financing activities (C)	(447.19)	(672.03)	(200.11)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**752.04**	**(256.89)**	**223.29**
Net foreign exchange difference	18.30	10.49	(1.94)
Cash and cash equivalents at the beginning of the year	317.78	564.18	342.83
Cash and cash equivalents at year end (Refer note 9)	**1,088.12**	**317.78**	**564.18**
Cash and cash equivalents at year end comprises :-			
Cash on hand	0.38	1.92	0.46
Balances with banks on			
- Current accounts	409.77	268.43	256.57
- Deposits with original maturity of less than three months	677.97	47.43	307.15
Total cash and cash equivalent	**1,088.12**	**317.78**	**564.18**

* includes expenses capitalised in relation to self constructed assets.

Non-cash financing and investing activities			
Acquisition of Right-of-use assets	254.47	191.36	12.33
Self constructed assets	2.74	2.54	3.51

in INR million

Explanatory notes on Restated Consolidated Summary Statement of Cash Flows ##

Changes in liabilities arising from financing activities :-	**Current borrowings**	**Long term borrowings #**
As at 1 April 2018	-	729.42
Proceeds/(repayment) [net]	100.49	(172.95)
Net foreign exchange difference	-	(8.46)
As at 31 March 2019	**100.49**	**548.01**
Proceeds/(repayment) [net]	219.08	(10.32)
Net foreign exchange difference	-	41.73
As at 31 March 2020	**319.57**	**579.42**
Proceeds/(repayment) [net] (Refer note 14)	(117.33)	197.24
Net foreign exchange difference	-	0.65
As at 31 March 2021	**202.24**	**777.31**

 # includes current maturities of long term borrowings
refer note 5 of Annexure VI for changes in lease liabilities arising from financing activities.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm registration number: 101049W/E300004

For and on behalf of Board of Directors of
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

per Rajeev Kumar
Partner
Membership no.: 213803

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 1 September 2021

Place: Bengaluru, India
Date: 1 September 2021

1 (a) Corporate information

The Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ("the Company" or "Parent Company"), together with its subsidiaries (collectively, the Group), is principally engaged in the business of production and marketing of a variety of Medical Devices comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology and wound care products with state of the art facilities. All these products are distributed to wholesalers, hospitals and retailers and used predominantly in the medical profession by surgeons, physicians, nurses, hospitals, nursing homes and clinics. The Company, together with its subsidiaries, sells its products globally.

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. On 22 June 2018, the Group had become a subsidiary of Quinag Acquisition (FDI) Ltd. ("the holding company" or "Quinag"'), which is ultimately held by Tummel HoldCo Ltd., Mauritius (indirectly owned by funds advised by Apax Partners LLP).

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 19 July 2021 and consequently the name of the Company has changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 4 August 2021.

The Group's restated consolidated summary statement for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 1 September 2021.

1 (b) Group Information:

Holding company

The holding company of the Group is Quinag Acquisition (FDI) Ltd and the ultimate holding company is Tummel HoldCo Ltd. The holding company holds 99.79% interest in the Parent Company. (31 March 2020 : 99.88% ; 31 March 2019 : 99.88%)

Information about subsidiaries

The restated consolidated summary statement of the Group includes subsidiaries listed in the table below:

Name	Country of incorporation	Ownership held by	Principal activities	% ownership interest as at 31 March 2021	% ownership interest as at 31 March 2020	% ownership interest as at 31 March 2019
Healthium OEM Private Limited ('HOPL')	India	Healthium Medtech Limited (HML)	Manufacturing, trading and sale of Gloves	100%	100%	100%
Mena Medical Manufacturing FZC ('MMM') *	United Arab Emirates	Healthium Medtech Limited (HML)	Surgical devices	51%	51%	51%
Sironix Medical Technologies BV ('Sironix')	Netherlands	Healthium Medtech Limited (HML)	Investment	100%	100%	100%
Clinisupplies Limited ('CSL')	United Kingdom	Sironix	Urology, wound care products and skin management	100%	100%	100%
Clinidirect Limited ('CDL')	United Kingdom	Sironix	Online dispensing pharmacy and sale of non-medical accessories	100%	100%	100%
Meditex Supplies Limited ('Meditex')	United Kingdom	CSL	sale of bandages and related products	100%	100%	100%
Quality Needles Private Limited ('QNPL') #	India	Healthium OEM Private Limited	Surgical devices, Suture, Needles	99.99%	99.99%	99.99%
Sironium Medical Technologies Limited	United Kingdom	Healthium Medtech Limited (HML)	Investment	100%	100%	100%

* Mena Medical Manufacturing (FZC) ("MMM") is a subsidiary of the Company. MMM has accumulated losses and its net worth has eroded. Considering the commercial understanding between the Company and the minority shareholder in MMM, all losses of the said subsidiary has been fully absorbed by the Group. Accordingly, no deficit non-controlling interest is recognised in restated consolidated summary statement of the Group. In relation to ongoing liquidation, refer to note 30(i).

Minority shareholder holds one share in QNPL and the resulting non-controlling interest is not material to the restated consolidated summary statement. Accordingly, non-controlling interest has not been disclosed.

1 (c) COVID -19

The Group has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these Restated Consolidated Summary Statement, in determining the possible impact from the COVID-19 pandemic. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these Restated Consolidated Summary Statement and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

2 Significant accounting policies

2.1 Basis of preparation

The Restated consolidated summary statement of assets and liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019 and the Restated consolidated summary statement of profit and loss, Restated consolidated summary statement of changes in equity and Restated consolidated summary statement of cash flows for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 (hereinafter collectively referred to as "Restated Consolidated Summary Statement of Healthium Medtech Limited") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of INR 1 each of the Company and offer for sale by the selling shareholders of the Company (collectively, the "Offering"). The Restated Consolidated Summary Statement, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

a. Sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 (the "Act");

b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992; and

c. The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the Guidance Note).

The Restated Consolidated Summary Statement:

(a) have been compiled by the management from the audited consolidated financial statements of the Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 which were prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013 which have been approved by the Board of Directors of the Group at their meetings held on 15 July 2021, 10 July 2020 and 13 June 2019 respectively;

(b) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in respective financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the year ended 31 March 2021; and

(c) do not require any adjustment for audit qualification as there is no modification in the underlying audit reports.

Annexure V provides a list of the significant accounting policies adopted in the preparation of these Restated Consolidated Summary Statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

The restated consolidated summary statement have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities *	Fair value or Amortised cost
Defined benefits plan	Plan assets measured at fair value
Contingent consideration	Fair value
Share based payments	Fair value

* (refer accounting policy regarding financial instruments)

The Group has presented its restated consolidated summary statement in Indian Rupees ("INR") and all values are rounded off to the nearest million (INR 000,000), except otherwise indicated.

2.2 Basis of consolidation

The restated consolidated summary statement comprises of the restated summary statements of the Company and its subsidiaries as at 31 March 2021, 31 March 2020 and 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its Power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the restated consolidated summary statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Consolidation procedure:

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

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the restated consolidated summary statement. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the summary statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

a. Use of estimates, assumption and judgements

The preparation of the restated consolidated summary statement in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the restated consolidated summary statement and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of restated consolidated summary statement, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Impairment of financial assets
In accordance with Ind AS 109, the Group assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Group provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the group.

Defined benefit plans
The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Share based compensation to employees
Determining the fair value of stock options on the grant date for equity-settled transaction and on each restated consolidated summary statement of assets and liabilities date for cash-settled transaction, requires judgment related to the choice of a pricing model, the estimation of stock price volatility, dividend yield, risk free interest rates and the expected life of share option. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Group's reported operating results, liabilities or other components of shareholder's equity.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the restated consolidated summary statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible assets under development
The Group capitalises intangible assets under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, future economic benefits are probable, the Group has the intention and ability to complete and use the asset and the cost can be measured reliably.

Income Taxes
Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note 19 and 33(b).

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Self constructed assets
The Group capitalises the cost of material and other costs directly attributable to bringing the asset to a working condition for its intended use. In determining the amounts to be capitalised as other costs, management makes significant estimates and judgements as regards to the proportion of time spent by its employees in activities undertaken for manufacturing the self constructed assets, proportion of depreciation of assets used in the process and proportion of other costs that are directly attributable to the self constructed asset.

b. Current versus non-current classification

The Group presents assets and liabilities in the restated consolidated summary statement of assets and liabilities based on current/non-current classification.
An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Business combinations and goodwill
The Group accounts for its business combinations using acquisition method of accounting. Acquisition related costs are recognized in the restated consolidated summary statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the business combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the restated consolidated summary statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

d. Foreign currencies
The restated consolidated summary statement is presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the restated summary statement of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is INR whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the restated consolidated summary statement of assets and liabilities date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the restated consolidated summary statement of profit and loss.
Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the restated consolidated summary statement of assets and liabilities date. The restated consolidated summary statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the restated consolidated summary statement of changes in equity.

Exchange differences
Exchange differences arising on settlement or translation of monetary items are recognized in restated consolidated summary statement of profit and loss in the period in which they arise.

e. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. To recognize revenues, the Group applies following five step approach:
(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the services rendered:

i. Sale of products
Revenue on product sales are recognized when the customer obtains control of the specified product.

ii. Interest income
Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

iii. Dividend income
Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

iv. Export incentive
Export entitlements in the form of Merchandise Export from India Scheme (MEIS) are accounted for in the restated consolidated summary statement of profit and loss on export of goods, if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

v. Others
- The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Group may be entitled.

- Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.
- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

The Group may enter into arrangements with third party suppliers to resell products or services. In such cases, the Group evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Group first evaluates whether it controls the good or service before it is transferred to the customer. If the Group controls the good or service before it is transferred to the customer, it is the principal; if not, it is agent.

Contract asset
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue).

Trade receivables
A receivable is recognised if an amount of sales consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section u.Financial instruments – initial recognition and subsequent measurement.

f. Income taxes
Tax expense comprises of current tax and deferred tax and is recognised in the restated consolidated summary statement of profit and loss.

Current Income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the restated consolidated summary statement of profit and loss (either in other comprehensive income or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in the OCI or in the equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the deferred taxes related to the same taxable entity and the same taxation authority.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use is capitalised up to the date the assets are ready for commercial use.

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the restated consolidated summary statement of profit and loss for the period during which such expenses are incurred.

The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Gains or losses arising from derecognition of property, plant and equipment are measured as differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the restated consolidated summary statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

h. Intangible assets (excluding goodwill on consolidation)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in restated consolidated summary statement of profit and loss in the period in which the expenditure is incurred.
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the restated consolidated summary statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the restated consolidated summary statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.
During the period of development, the asset is tested for impairment annually.

Intellectual Property rights

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed and developed products, trademarks, industrial and other designs, service marks, copy rights and other application license and rights are capitalised. The Group capitalises such intangible assets when the receipt of economic benefits embodied in each intangible asset separately purchased or licensed in the transaction is considered to be probable.

i. Borrowing costs

Borrowing costs are recognised in the restated consolidated summary statement of profit and loss in the period in which they are incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment is calculated on a written down value method using the rates arrived at based on the useful life of the assets prescribed under Schedule II to the Companies Act 2013 except in case of certain assets wherein depreciation is calculated using the rates arrived at based on the useful life estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset category	**Estimated useful life (Years)**
Buildings	
- Temporary structures	3
- Others	30
Plant and machinery*	10 to 15
Computer and peripherals	3 to 6
Electrical installation	10
Motor vehicles	8 to 10
Furniture and fittings	10
Office equipments	5 to 10

* Plant and machinery used for double and triple shifts are depreciated in 10 years and 7.5 years respectively.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Amortisation of intangible assets

Intangibles are amortised on a straight line basis over the estimated useful economic life. Amortisation of internally developed asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the restated consolidated summary statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful economic life of intangibles are as below:

Asset category	Estimated useful life (Years)
Computer software	3
Product development cost	3
Patent, Copyright and Intellectual Property	8 to 15

l. Inventories

Raw materials and components are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a First in First Out (FIFO) basis.

Work-in -progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m. Leases

Where the Group is a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to paragraph 2.3 (n) of the accounting policies for impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

n. Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortisation/depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the restated consolidated summary statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix.For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the restated consolidated summary statement of profit and loss. This amount is reflected in a separate line under the head 'other expenses' in the restated consolidated summary statement of profit and loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

o. Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance, national insurance and pension are defined contribution schemes. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the Restated Consolidated Summary Statement of Assets and Liabilities date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the restated consolidated summary statement of assets and liabilities date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund i.e. Employee's Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the liability), are recognised immediately in the restated consolidated summary statement of assets and liabilities with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the restated consolidated summary statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the restated consolidated summary statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the restated consolidated summary statement of assets and liabilities, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

q. Earnings per share

Basic earnings per share are calculated by dividing the restated net profit or loss for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the year are adjusted for the effects of all potentially dilutive securities.

r. Cash and cash equivalents

Cash and cash equivalents in the restated consolidated summary statement of assets and liabilities comprise cheques in hand and cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the restated consolidated statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above, net of outstanding bank overdrafts facilities as they are considered an integral part of the Group's cash management.

s. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the restated consolidated summary statement.

t. Fair value measurement

The Group measures financial instruments at fair value at each restated consolidated summary statement of assets and liabilities date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marked participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient date are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the restated consolidated summary statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

u. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit or loss.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv)Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the restated consolidated summary statement of profit and loss.

(v)Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the restated consolidated summary statement of assets and liabilities date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in restated consolidated summary statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the restated consolidated summary statement of profit and loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's restated consolidated summary statement of assets and liabilities when the obligation specified in the contract is discharged or cancelled or expires.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the restated consolidated summary statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the restated consolidated summary statement of profit and loss.

w. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

x. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) and cash (cash-settled transactions)

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. In the restated consolidated summary statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled transactions

In case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through restated consolidated summary statement of profit and loss.

When the terms of an cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in restated consolidated summary statement of profit and loss.

y. Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

z. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Group. The Chief Executive Officer and Managing Director has been identified as the chief operating decision maker.

The Company, together with its subsidiaries, has identified a single business segment being "Medical Devices" comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology and wound care products . This being a single segment, hence no additional segment disclosure has been made for the business segment.

The Group's operations spans across the world and are categorized geographically as (a) India (b) United Kingdom and (c) Rest of the world. Customer relationships are driven based on customer domicile.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

aa. Recent Pronouncements on significant accounting policies

Recent pronouncements on 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Consolidated Statement of Assets and Liabilities:

(1) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(2) Certain additional disclosures in the restated consolidated summary statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(3) Specified format for disclosure of shareholding of promoters.

(4) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(5) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(6) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Consolidated Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of restated consolidated summary statement.

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3 Property, plant and equipment

in INR million

	Land freehold	Buildings	Plant and machinery*	Computers and peripherals	Electrical installation	Motor vehicles	Furniture and fittings	Office equipments	Total	Capital work in progress (CWIP)
Cost or valuation										
At 1 April 2018	**250.27**	**467.25**	**509.31**	**55.57**	**40.17**	**59.90**	**44.48**	**19.57**	**1,446.52**	**24.87**
Additions***	-	1.07	200.34	24.84	3.00	21.17	3.59	7.92	261.93	140.64
Disposals/ CWIP capitalisation	-	-	(3.07)	(0.06)	-	(2.37)	-	(0.04)	(5.54)	(40.86)
Exchange differences	-	0.88	0.51	1.97	0.10	(0.73)	(0.49)	(0.02)	2.22	-
At 31 March 2019	**250.27**	**469.20**	**707.09**	**82.32**	**43.27**	**77.97**	**47.58**	**27.43**	**1,705.13**	**124.65**
Additions***	-	31.16	188.13	15.68	14.33	2.42	17.84	5.71	275.27	62.82
Disposals/ CWIP capitalisation	-	-	(12.72)	(24.02)	(1.34)	(38.10)	(10.28)	(4.56)	(91.02)	(139.92)
Exchange differences	-	0.62	0.65	0.83	0.08	-	0.68	-	2.86	(0.02)
At 31 March 2020	**250.27**	**500.98**	**883.15**	**74.81**	**56.34**	**42.29**	**55.82**	**28.58**	**1,892.24**	**47.53**
Additions***	-	-	129.92	23.89	0.06	-	33.63	1.45	188.95	50.86
Disposals/ CWIP capitalisation	-	-	(11.34)	(3.84)	(0.37)	(7.92)	(10.54)	(4.73)	(38.74)	(38.48)
CWIP impairment (Refer note 27)	-	-	-	-	-	-	-	-	-	(5.45)
Exchange differences	-	0.64	0.64	7.56	0.08	-	6.16	-	15.08	-
At 31 March 2021	**250.27**	**501.62**	**1,002.37**	**102.42**	**56.11**	**34.37**	**85.07**	**25.30**	**2,057.53**	**54.46**
Accumulated depreciation and impairment										
At 1 April 2018	-	**81.12**	**185.89**	**24.87**	**15.04**	**22.00**	**14.75**	**11.55**	**355.22**	-
Depreciation charge for the year**	-	36.31	123.36	19.84	8.09	13.99	9.94	6.04	217.57	-
Disposals	-	-	(1.55)	(0.03)	-	(2.07)	-	(0.02)	(3.67)	-
Exchange differences	-	0.02	0.06	0.50	0.01	(0.40)	(0.42)	-	(0.23)	-
At 31 March 2019	-	**117.45**	**307.76**	**45.18**	**23.14**	**33.52**	**24.27**	**17.57**	**568.89**	-
Depreciation charge for the year**	-	37.03	147.49	20.00	9.39	10.87	8.77	7.19	240.74	-
Disposals	-	-	(10.69)	(19.18)	(1.26)	(23.42)	(7.84)	(3.87)	(66.26)	-
Exchange differences	-	0.06	0.15	0.55	0.03	-	0.54	-	1.33	-
At 31 March 2020	-	**154.54**	**444.71**	**46.55**	**31.30**	**20.97**	**25.74**	**20.89**	**744.70**	-
Depreciation charge for the year**	-	34.36	140.49	15.22	6.80	6.04	9.60	3.91	216.42	-
Impairment charge for the year (Refer Note 25)	-	10.96	8.15	0.03	0.73	0.04	0.23	0.01	20.15	-
Disposals	-	-	(7.76)	(3.31)	(0.06)	(5.06)	(8.57)	(3.85)	(28.61)	-
Exchange differences	-	0.54	0.56	4.92	0.08	-	4.57	-	10.67	-
At 31 March 2021	-	**200.40**	**586.15**	**63.41**	**38.85**	**21.99**	**31.57**	**20.96**	**963.33**	-
Net book value										
At 31 March 2021	250.27	301.22	416.22	39.01	17.26	12.38	53.50	4.34	1,094.20	54.46
At 31 March 2020	250.27	346.44	438.44	28.26	25.04	21.32	30.08	7.69	1,147.54	47.53
At 31 March 2019	250.27	351.75	399.33	37.14	20.13	44.45	23.31	9.86	1,136.24	124.65

Net book value

	31 March 2021	31 March 2020	31 March 2019
Plant, property and equipment	1,094.20	1,147.54	1,136.24
Capital work in progress	54.46	47.53	124.65

* Addition during the year ended 31 March 2021 include self-constructed assets of INR 51.48 million (31 March 2020 : INR 72.13 Million ; 31 March 2019 : INR 57.05 Million). Refer note 44 with regard to capitalization of expenditure.

** Includes depreciation of INR 2.74 million (31 March 2020 : INR 2.54 million ; 31 March 2019 : INR 3.51 million) incurred for self-constructed assets which has been capitalised as cost of self-constructed assets. Refer note 44 with regard to capitalization of expenditure.

*** Addition during the year 31 March 2021 include self-constructed Capital work in progress of INR 33.18 million (31 March 2020 : INR 62.82 million ; 31 March 2019 : INR 20.32 million). Refer note 44 with regard to capitalization of expenditure.

Note 1: The title deeds of the immovable properties are held in the name of the Company subject to charge created for borrowings as detailed in note 14 and Sub note 3 below.

Note 2: The amount of contractual commitments for the acquisition of PPE is disclosed in Note 33(a)(i).

Note 3: Sironix had availed loans from HSBC, Hong Kong which was repaid during the year ended 31 March 2019. The Company had provided counter indemnity for the loan. The loans and counter indemnity was secured by a charge on Company's land and building and property, plant and equipment. The Company is in process of obtaining NOC from the Bank for filing satisfaction of charge.

Note 4: On 24 February 2020, Quality Needles Private Limited has obtained an INR 100 million facility from the Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) for which charge has been placed on the movable property, plant and equipments for INR 100 million. Further, there is a negative lien on the Quality Needles Private Limited's land and building situated at Plot No. A-14, A-15, A-16, A-25, A-6, A-7, A-8, A-9, Sector 57, Noida and plant and machinery. The facility can be interchangeably utilised as a term loan, import line, import documentary credits, import deferred payment credits or loan against import. Additionally, the Company has provided to HSBC Bank a letter of comfort to support Quality Needles Private Limited in case of inability to meet its obligations. As at 31 March 2021, Quality Needles Private Limited has availed an import line to the extent of Euro 961,380 for import of machineries.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

4 (A) Goodwill

Goodwill acquired through business combinations are:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Healthium OEM Private Limited *	12.58	12.58	12.58
Clini Group**	1,212.34	1,212.34	1,212.34
	1,224.92	**1,224.92**	**1,224.92**

* represents goodwill on acquisition of surgical gloves business by the Group
** Clini Group represents CSL, CDL and Meditex

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis as at March 31. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management.

The Group assessed the carrying value of its goodwill at CGU level to which the goodwill is attributable, based on future operational plan, projected cash flows and carried out valuation. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill is appropriate.

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Terminal growth rate	1.00%	1.00%	1.00%
Operating margins	5%-14%	7%-15%	11.10%-11.70%
Discount rate	8.42%	7.68%	10.89%

The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

4 (B) Other Intangible assets

	Patent, Copyright and Intellectual Property	Computer software	Product development cost	Total	Intangible assets under development
Cost					
At 1 April 2018	**11.54**	**48.70**	**35.78**	**96.02**	-
Additions	0.65	2.45	-	**3.10**	-
Exchange differences	(0.20)	0.14	-	**(0.06)**	-
At 31 March 2019	**11.99**	**51.29**	**35.78**	**99.06**	**-**
Additions	2.58	21.71	65.36	**89.65**	1.76
Deletion	(4.47)	(0.28)	-	**(4.75)**	-
Exchange differences	0.24	0.18	0.11	**0.53**	-
At 31 March 2020	**10.34**	**72.90**	**101.25**	**184.49**	**1.76**
Additions (Refer note (i))	112.08	5.92	5.31	**123.31**	1.70
Deletion / Adjustments (Refer note (ii))	(0.51)	-	(5.15)	**(5.66)**	(0.60)
Exchange differences	1.71	2.10	2.74	**6.55**	-
At 31 March 2021	**123.62**	**80.92**	**104.15**	**308.69**	**2.86**
Accumulated amortisation					
At 1 April 2018	**2.42**	**16.48**	**2.86**	**21.76**	-
Amortisation	1.47	13.08	11.93	**26.48**	-
Exchange differences	(0.11)	0.06	-	**(0.05)**	-
At 31 March 2019	**3.78**	**29.62**	**14.79**	**48.19**	**-**
Amortisation	1.67	10.34	23.25	**35.26**	-
Deletion	(3.71)	(0.20)	-	**(3.91)**	-
Exchange differences	0.15	0.08	0.04	**0.27**	-
At 31 March 2020	**1.89**	**39.84**	**38.08**	**79.81**	**-**
Amortisation	20.28	11.80	30.47	**62.55**	
Deletion	(0.28)	-	-	**(0.28)**	-
Exchange differences	0.96	0.87	2.20	**4.03**	-
At 31 March 2021	**22.85**	**52.51**	**70.75**	**146.11**	**-**
Net book value					
At 31 March 2021	100.77	28.41	33.40	162.58	2.86
At 31 March 2020	8.45	33.06	63.17	104.68	1.76
At 31 March 2019	8.21	21.67	20.99	50.87	-

Net book value

	31 March 2021	31 March 2020	31 March 2019
Intangible assets	162.58	104.68	50.87
Intangible assets under development	2.86	1.76	-

in INR million

(i) *Patent, copyright and Intellectual Property*

On 1 April 2020, the Company has entered into intellectual property assignment agreement under which certain patent and IP rights relating to arthroscopy products have been exclusively licensed to the Company for a fixed yearly consideration in addition to a variable consideration payable on occurrence of a transaction event resulting in the "Holding Company" owning less than 20% of the outstanding voting shares in the Company. The Company assessed exit event to occur by 31 March 2025 and accordingly estimated the total pay-out of INR 150 million over the period of the agreement representing INR 10 million fixed yearly consideration payable for 5 years and INR 100 million payable as variable consideration on the exit date. The Company has discounted the total pay-out at 7.25% representing the borrowing rate and capitalised INR 111.80 million towards the intellectual property rights acquired. Expected useful life of the intellectual property is estimated to be 6 years and amortisation is done on straight-line basis.

(ii) *Product development cost*

The Company has capitalised development cost of Arthroscopy and Urology products. The product development team has created new innovative products under the arthroscopy division and eligible product development cost incurred in the product development activities have been capitalised during the year. The activities include designing, prototyping and development. Expected useful life of the intangible is estimated to be 3 years and amortisation is done on straight-line basis.

Additionally, during the year ended 31 March 2021, the Company has reversed INR 5.15 million out of previous year capitalised product development cost of INR 47.50 million incurred towards urology products in line with the settlement agreement entered in August 2020.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

5 Leases

The Group has entered into property leases consisting of the land, office space, depot and warehouse in addition to vehicle leases. These leases are for a period of two to ten years and lease of land is for 99 years with renewal option included in the contracts.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Right-of-use assets

Following are the changes in the carrying value of right of use assets :

	Land	Building	Vehicles	Others	Total
Cost					
At 1 April 2018	100.52	77.79	-	-	178.31
Additions	-	12.33	-	-	12.33
Disposals	-	-	-	-	-
At 31 March 2019	**100.52**	**90.12**	**-**	**-**	**190.64**
Ind AS 116 transition adjustment (refer Annexure VII)	(1.76)	(79.37)	-	-	(81.13)
At 1 April 2019	**98.76**	**10.75**	**-**	**-**	**109.51**
Additions	-	189.49	-	1.87	191.36
Exchange differences	-	1.47	-	0.02	1.49
At 31 March 2020	**98.76**	**201.71**	**-**	**1.89**	**302.36**
Additions	-	201.83	52.37	0.27	254.47
Disposals	(2.09)	(34.84)	-	-	(36.93)
Modifications	-	1.42	-	-	1.42
Exchange differences	0.25	20.36	0.94	0.24	21.79
At 31 March 2021	**96.92**	**390.48**	**53.31**	**2.40**	**543.11**
Accumulated depreciation					
At 1 April 2018	-	-	-	-	-
Depreciation	1.76	22.99	-	-	24.75
At 31 March 2019	**1.76**	**22.99**	**-**	**-**	**24.75**
Ind AS 116 transition adjustment (refer Annexure VII)	(1.76)	(22.99)	-	-	(24.75)
At 1 April 2019	**-**	**-**	**-**	**-**	**-**
Depreciation	1.76	39.88	-	0.03	41.67
Exchange differences	-	0.30	-	-	0.30
At 31 March 2020	**1.76**	**40.18**	**-**	**0.03**	**41.97**
Depreciation	1.66	54.41	22.87	0.22	79.16
Disposals	(1.69)	(34.84)	-	-	(36.53)
Exchange differences	0.17	7.96	0.40	0.01	8.54
At 31 March 2021	**1.90**	**67.71**	**23.27**	**0.26**	**93.14**
Net book value					
At 31 March 2021	95.02	322.77	30.04	2.14	449.97
At 31 March 2020	97.00	161.53	-	1.86	260.39
At 31 March 2019	98.76	67.13	-	-	165.89

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in INR million

Lease liabilities
The following is the break-up of current and non-current lease liabilities :

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current lease liabilities	70.26	38.88	25.17
Non-current lease liabilities	305.95	135.57	44.13
	376.21	**174.45**	**69.30**

The following is the movement in lease liabilities :

	For the year ended
At 1 April 2018	77.79
Additions	12.33
Finance cost accrued during the year	4.01
Payment of lease liabilities	(24.83)
Exchange differences	-
At 31 March 2019	69.30
Ind AS 116 transition adjustment (refer Annexure VII)	(58.55)
At 1 April 2019	**10.75**
Additions	191.36
Finance cost accrued during the year	7.88
Payment of lease liabilities	(36.83)
Exchange differences	1.29
At 31 March 2020	**174.45**
Additions	253.69
Modifications	1.42
Finance cost accrued during the year	12.39
Payment of lease liabilities	(79.50)
Exchange differences	13.76
At 31 March 2021	**376.21**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. There are no future cash outflows relating to leases that have not yet commenced.

The effective interest rate for lease liabilities is 4.50% - 7.50%, with maturity between 2021-2029.

For the year ended 31 March 2021, the Group has cash outflow amounting to INR 8.40 million (31 March 2020 : INR 12.17 million ; 31 March 2019 : INR 8.18 million) relating to low value assets and short term leases.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

6 Financial assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Investments			
Non-current			
Investments carried at amortised cost (fully paid)			
Unquoted Government and trust securities			
Investment in Government securities in National Saving Certificates	0.02	0.02	0.02
Total non-current investments	**0.02**	**0.02**	**0.02**
Current			
Investments at fair value through profit or loss (FVTPL) (fully paid)			
Unquoted equity shares			
Renewable Wind Energy Private Limited [2,400 (31 March 2020: 2,400 ; 31 March 2019: 2,400) Equity shares of INR 10 each]	0.24	0.24	0.24
Quoted equity shares			
Bank of India [1,100 (31 March 2020: 1,100 ; 31 March 2019: 1,100) equity shares of INR 10 each]	0.11	0.11	0.11
Mutual funds			
Kotak Equity Arbitrage Fund-Growth [744,155.58 units (31 March 2020 : 744,155.58 @ INR 28.05 ; 31 March 2019 : Nil) of INR 29.05 each]	21.62	20.87	-
ICICI Prudential Equity Arbitrage Fund-Dividend [Nil (31 March 2020 : Nil ; 31 March 2019 : 366,611,92 units of INR 13.62 each)]	-	-	4.99
Kotak Equity Arbitrage Fund-Monthly Dividend [Nil (31 March 2020 : Nil ; 31 March 2019 : 467,433.88 units of INR 10.71 each)]	-	-	5.01
ICICI Prudential Debt Management Fund- Growth [Nil (31 March 2020 : Nil ; 31 March 2019 : 97,231.43 units of INR 29.21 each)]	-	-	2.84
ICICI Prudential Floating Interest Fund-Reg-Growth [Nil (31 March 2020 : Nil ; 31 March 2019 : 75,954.98 units of INR 278.06 each)]	-	-	21.12
Kotak Low Duration Fund-Reg-Growth [Nil (31 March 2020 : Nil ; 31 March 2019 : 4,658.99 units of INR 2,285.35 each)]	-	-	10.65
SBI Liquid Fund - Regular plan - Daily dividend [Nil (31 March 2020 : Nil ; 31 March 2019 : 63,192.42 units of INR 1,003.25 each)]	-	-	63.40
Birla Sunlife Arbitrage Fund - Dividend - Reinvestment [Nil (31 March 2020 : Nil ; 31 March 2019 : 298,372.17 units of INR 10.72 each)]	-	-	3.20
Birla Sun Life Liquid Fund - Regular Plan - Dividend - Daily [Nil (31 March 2020 : Nil ; 31 March 2019 : 50,775.83 units of INR 100.24 each)]	-	-	5.09
Birla Sunlife Liquid Fund - Daily dividend - Reinvestment [Nil (31 March 2020 : Nil ; 31 March 2019 : 380,917.25 of INR 100.24 each)]	-	-	38.18
Invesco India Arbitrage Fund-Dividend [Nil (31 March 2020 : Nil ; 31 March 2019 : 778,876.86 units of INR 12.97 each)]	-	-	10.10
Investment in Portfolio Management Service Fund			
Unquoted , Fully paid up			
India Reit Domestic Real Estate Fund IV	1.18	1.24	1.24
India Advantage Fund S3 III	0.13	0.29	0.47
ICICI Prudential PMS Large Cap	10.39	8.04	8.92
Unquoted , Partly paid up			
Scheme Residential Opportunities Fund	5.00	5.80	5.85
Total FVTPL investments	**38.67**	**36.59**	**181.41**
Total investments	**38.69**	**36.61**	**181.43**
Aggregate cost of quoted investments	20.11	20.11	157.30
Aggregate market value of quoted investments	21.73	20.98	159.84
Aggregate cost and value of unquoted investments	16.96	15.63	21.59

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in INR million

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Loans (Unsecured considered good unless otherwise stated)			
(carried at amortised cost)			
Non-current			
Security deposit	61.63	64.72	67.58
Security deposit - credit impaired	3.01	9.14	10.32
	64.64	73.86	77.90
Impairment allowance			
Security deposit - credit impaired	(3.01)	(9.14)	(10.32)
Total security deposit	61.63	64.72	67.58
Non-current			
Loan to employees	-	-	0.72
Total non-current loans	**61.63**	**64.72**	**68.30**

Movement in provision for doubtful security deposit	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	9.14	10.32	9.48
Add: charge during the year	1.34	-	0.84
Less: write off during the year	(7.47)	(1.18)	-
Closing balance	**3.01**	**9.14**	**10.32**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current			
Loan to employees	3.63	3.99	5.10
Total current loans	**3.63**	**3.99**	**5.10**
Bank balances other than cash and cash equivalents			
(carried at amortised cost)			
Current			
Balances with banks			
Deposits with original maturity of more than three months but less than twelve months	130.53	223.37	162.81
Total current bank balances other than cash and cash equivalents	**130.53**	**223.37**	**162.81**
Other financial assets			
(carried at amortised cost)			
Non-current			
Balances with banks			
Deposits with remaining maturity of more than twelve months ^	32.03	19.87	27.58
Margin money deposits *			
- with banks	33.40	-	-
Total other non-current financial assets	**65.43**	**19.87**	**27.58**

^ includes bank deposits of INR 1.20 million (31 March 2020: Nil ; 31 March 2019: Nil) under lien in respect of overdraft/cash credit facility availed by Quality Needles Private Limited from Bank of India.

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current			
Margin money deposits *			
- with banks	10.90	56.65	70.67
Interest accrued	7.56	30.34	17.27
Unbilled revenue	69.81	110.88	74.25
Total other current financial assets	**88.27**	**197.87**	**162.19**

* Includes margin money deposits that are intended to secure bank guarantees obtained by the Parent Company.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

7 Inventories

(at the lower of cost and net realisable value)	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Raw materials (including goods in transit INR 41.85 million (31 March 2020 : INR 18.31 million ; 31 March 2019 : INR 5.37 million))	374.20	391.36	344.97
Work in progress	245.72	282.68	266.61
Finished goods	266.27	226.92	285.12
Traded goods	401.02	351.61	409.94
Total inventories	**1,287.21**	**1,252.57**	**1,306.64**

Total inventories is net of provision towards ageing, slow moving/non moving inventories and other provisions, INR 167.45 million (31 March 2020 : INR 175.92 million ; 31 March 2019 : INR 137.08 million)

The inventories are subject to charge created for borrowings as detailed in note 14.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

8 Trade receivables

(carried at amortised cost)	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Trade receivables	1,096.43	1,218.11	1,045.11
Total trade receivables	**1,096.43**	**1,218.11**	**1,045.11**
Break-up of security details:			
Current			
Trade receivables			
Secured, considered good	29.30	32.60	50.74
Unsecured, considered good	1,067.13	1,185.51	994.37
Trade receivables - credit impaired	41.55	51.58	45.11
	1,137.98	**1,269.69**	**1,090.22**
Impairment allowance (allowance for bad and doubtful debts)			
Trade receivables - credit impaired	(41.55)	(51.58)	(45.11)
Total trade receivables	**1,096.43**	**1,218.11**	**1,045.11**

No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Trade receivables are subject to charge created for borrowings as detailed in note 14.

During the year ended 31 March 2021, INR 110.88 million of unbilled revenue as of 1 April 2020 has been converted to trade receivables on billing. (31 March 2020: INR 74.25 million ; 31 March 2019: INR 7.74 million)

Movement in loss allowance (allowance for bad and doubtful debts)	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Balance as per last summary statement	51.58	45.11	88.00
Add: Charge for the year	17.88	42.35	17.58
Less: Bad debts written off during the year	(27.91)	(35.88)	(60.47)
Closing balance	**41.55**	**51.58**	**45.11**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

9 Cash and cash equivalent

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Balances with banks:			
- On current accounts	409.77	268.43	256.57
- Deposits with original maturity of less than three months*	677.97	47.43	307.15
Cash on hand	0.38	1.92	0.46
Total Cash and cash equivalents	**1,088.12**	**317.78**	**564.18**

* Represents deposits at fixed rates maintained with various banks by the Group.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

10 Other assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current			
Capital advances	41.28	60.24	7.52
Balances with statutory / government authorities	8.33	8.39	18.50
Total other non-current assets	**49.61**	**68.63**	**26.02**
Current			
Advances recoverable in cash or kind, unsecured and considered good	320.77	277.39	136.58
Balances with statutory / government authorities	137.32	98.11	78.00
Export incentive receivable	72.48	115.86	47.42
Prepayments	40.34	53.06	44.80
Contribution to Gratuity Fund (net)	18.72	-	-
Total other current assets	**589.63**	**544.42**	**306.80**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

11 Equity share capital

Authorised share capital of INR 2 each

	Equity Shares	
	Number	**Amount**
At 31 March 2019	**100,000,000**	**200.00**
At 31 March 2020	**100,000,000**	**200.00**
At 31 March 2021	**100,000,000**	**200.00**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 2 per share (31 March 2020 : INR 2 per share ; 31 March 2019 : INR 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 2 each issued, subscribed and fully paid (31 March 2020: INR 2; 31 March 2019: INR 2)	**Number**	**Amount**
At 1 April 2018	46,117,324	92.23
Issue of equity shares on exercise of options (Refer note (i))	119,740	0.24
At 31 March 2019	46,237,064	92.47
At 31 March 2020	46,237,064	92.47
Issue of equity shares on Preferential allotment (Refer Note (ii))	43,500	0.09
At 31 March 2021	**46,280,564**	**92.56**

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

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
Equity shares of INR 2 each issued, subscribed and fully paid (31 March 2020: INR 2; 31 March 2019: INR 2)	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
At the beginning of the year	46,237,064	92.47	46,237,064	92.47	46,117,324	92.23
Issue of equity shares (Refer note (i and ii))	43,500	0.09	-	-	119,740	0.24
At the end of the year	**46,280,564**	**92.56**	**46,237,064**	**92.47**	**46,237,064**	**92.47**

(i) During the year ended 31 March 2019, the director Mr. Mahadevan Narayanamoni exercised 119,740 employee stock options and was allotted 119,740 equity shares of INR 2 each at an exercise price of INR 225.

(ii) On 14 September 2020, the Company had issued and allotted 43,500 equity shares of INR 2 each to 3 members at an issue price of INR 460.59 per share.

Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2019**
Quinag Acquisition (FDI) Ltd			
46,181,103 (31 March 2020 : 46,181,103 ; 31 March 2019 : 46,181,103) equity shares of INR 2 each	92.36	92.36	92.36

Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
Name of the shareholder	**Number**	**% holding in the class**	**Number**	**% holding in the class**	**Number**	**% holding in the class**
Equity shares of INR 2 each issued, subscribed and fully paid (31 March 2020: INR 2; 31 March 2019: INR 2)						
Quinag Acquisition (FDI) Ltd	46,181,103	99.79%	46,181,103	99.88%	46,181,103	99.88%

On 22 June 2018, TPG Growth II Markets Pte Ltd, Ambrose Private Limited and Geeta Chandrasekhar transferred their entire share holding in the Company, to Quinag Acquisition (FDI) Ltd.

On 14 September 2020, the Company has issued 43,500 equity shares of INR 2 each to 3 members at an issue price of INR 460.59 due to which holding of Quinag Acquisition (FDI) Ltd has been diluted from 99.88% to 99.79%.

in INR million

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

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	Number	**Number**	**Number**
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and capital redemption reserve	25,595,115	25,595,115	25,626,316
Equity shares bought back by the Company	-	113,208	144,608
Equity shares issued for acquisition of Quality Needles Private Limited	11,990,504	11,990,504	11,990,504

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Group, please refer note 32

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

12 Distribution made and proposed

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Cash dividends on equity shares declared and paid:			
Interim dividend during the year ended 31 March 2021 : INR 6.75 (31 March 2020 : INR 14.56 ; 31 March 2019 : INR 1.57) per share*	312.39	673.19	72.60
Dividend Distribution Tax ('DDT') on dividend **	0.94	143.23	13.98
Total	**313.33**	**816.42**	**86.58**

* (i) Board of directors in their meeting held on 7 December 2020, approved payment of interim dividend for financial year 2020-2021 at INR 6.75 per equity share.
(ii) Board of directors in their meeting held on 30 May 2019 and 9 December 2019, approved payment of interim dividend for financial year 2019-2020 at INR 7.45 per equity share and INR 7.11 per equity share, respectively.
(iii) Board of directors in their meeting held on 29 November 2018, approved payment of interim dividend for financial year 2018-2019 at INR 1.57 per equity share.

** Dividend Distribution Tax ('DDT') of INR 0.94 million for the year ended 31 March 2021 relates to unpaid DDT for 2018-2019 and 2019-2020.

During the year ended 31 March 2020 and 31 March 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

13 Other equity

Securities premium

Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

At 1 April 2018	**5,639.42**
Increase on account of exercise of share options (Refer note 11 (i))	38.66
At 31 March 2019	**5,678.08**
At 31 March 2020	**5,678.08**
Increase on account of Preferential allotment (refer note 11 (ii))	19.95
At 31 March 2021	**5,698.03**

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

At 1 April 2018	**2,028.79**
Total comprehensive income/(loss) for the year	135.59
Cash dividends (Refer note 12)	(72.60)
Dividend distribution tax (DDT) (Refer note 12)	(13.98)
Transfer to General reserve	(101.59)
At 31 March 2019	**1,976.21**
Ind AS 116 transition adjustment (refer Annexure VII)	1.72
At 1 April 2019	**1,977.93**
Total comprehensive income/(loss) for the year	367.67
Cash dividends (Refer note 12)	(673.19)
Dividend distribution tax (DDT) (Refer note 12)	(143.23)
At 31 March 2020	**1,529.18**
Total comprehensive income/(loss) for the year	856.93
Cash dividends (Refer note 12)	(312.39)
Dividend distribution tax (DDT) (Refer note 12)	(0.94)
At 31 March 2021	**2,072.78**

Share based payments (SBP) reserves

The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 32 for further details of these plans.

At 1 April 2018	**66.25**
Decrease on account of exercise of options during the year	(8.66)
Decrease on account of cancellation of options due to cash settlement*	(136.19)
Share based payment	78.60
At 31 March 2019	**-**
Increase on account of share based compensation to employees for the year (Refer note 32)	20.19
At 31 March 2020	**20.19**
Increase on account of share based compensation to employees for the year (Refer note 32)	40.29
Increase on account of reclassification from cash settled to equity settled (Refer note 32)	21.22
At 31 March 2021	**81.70**

* includes INR 67.44 million transferred to employee payables (Refer note 16) and remaining reversed on account of cash settlements during the year 2018-2019.

in INR million

General reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to restated consolidated summary statement of profit and loss.

At 1 April 2018	**1,768.06**
Transfer from retained earnings	101.59
At 31 March 2019	**1,869.65**
Transfer from retained earnings	-
At 31 March 2020	**1,869.65**
Transfer from retained earnings	-
At 31 March 2021	**1,869.65**

Exchange differences on translating the summary statements of a foreign operation

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to restated consolidated summary statement of profit and loss when the net investment is disposed-off.

At 1 April 2018	**(98.53)**
Net exchange differences on translation of foreign operations, net of tax effect	43.39
At 31 March 2019	**(55.14)**
Net exchange differences on translation of foreign operations, net of tax effect	(75.35)
At 31 March 2020	**(130.49)**
Net exchange differences on translation of foreign operations, net of tax effect	(11.56)
At 31 March 2021	**(142.05)**

Capital reserve

The Group had accounted acquisition of Quality Needles Private Limited in the restated consolidated summary statement as common control business combination in accordance with Appendix C ('Common control transactions') of the Indian Accounting Standard 103 – Business Combinations. The difference between the amount recorded as share capital issued and amount of share capital of transferor is transferred to capital reserve. There was no new goodwill recognised as a result of combination under common control.

At 1 April 2018	**(4,487.20)**
At 31 March 2019	**(4,487.20)**
At 31 March 2020	**(4,487.20)**
At 31 March 2021	**(4,487.20)**

Summary of other equity:

	As at 31 March 2021	**As at 31 March 2020**	**As at 31 March 2019**
Securities premium	5,698.03	5,678.08	5,678.08
Retained earnings	2,072.78	1,529.18	1,976.21
SBP reserve	81.70	20.19	-
General reserve	1,869.65	1,869.65	1,869.65
Exchange differences on translating the summary statements of a foreign operation	(142.05)	(130.49)	(55.14)
Capital reserve	(4,487.20)	(4,487.20)	(4,487.20)
Total	**5,092.91**	**4,479.41**	**4,981.60**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

14 Borrowings

(carried at amortised cost)	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current borrowings			
Secured loan			
- from Bank	21.62	3.42	10.05
- from Holding Company in foreign currency (Refer note 33(b)(viii))	741.36	417.62	351.95
Total non-current borrowings	**762.98**	**421.04**	**362.00**
Current borrowings			
Loan repayable on demand (from bank) (Secured)			
- Invoice financing in foreign currency	-	91.07	100.49
- Invoice financing	-	166.70	-
- Domestic debtor factoring	-	45.50	-
- Import nostro financing	27.47	16.30	-
- Pre and Post shipment finance	170.24	-	-
- Working capital loan	4.53	-	-
Total current borrowings	**202.24**	**319.57**	**100.49**
Current maturities of non-current borrowings (Secured)			
- from Bank	14.33	6.53	10.03
- from Holding Company in foreign currency	-	151.85	175.98
Total current borrowings	**14.33**	**158.38**	**186.01**
Less: Amount shown under "Other financial liabilities" (Refer note 16)	**(14.33)**	**(158.38)**	**(186.01)**
Net current borrowings	**202.24**	**319.57**	**100.49**
Aggregate secured borrowings	**979.55**	**898.99**	**648.50**
Aggregate unsecured borrowings	**-**	**-**	**-**

Term loan against hypothecation of motor cars and assets :

Term loan INR 2.89 million (31 March 2020 : INR 9.95 million ; 31 March 2019 : INR 20.08 million) represents car loan from Axis Bank related to various vehicles purchased. The rate of interest ranges from 8.36% to 9.95% p.a. (31 March 2020 : 8.36% to 9.95% ; 31 March 2019 : 8.36% to 9.95%). The loan is secured by hypothecation of motor cars repayable monthly over a period of 3 years.

Term loan INR 33.06 million (31 March 2020 : Nil ; 31 March 2019 : Nil) represents loan from HSBC Bank for relocation of office premises. The rate of interest is 2.45% (31 March 2020 : Nil ; 31 March 2019 : Nil) . The loan is secured by fixed and floating charge over the assets of the Clinisupplies Limited repayable monthly over a period of 3 years.

Loan from Holding Company in foreign currency :

Loan from Holding Company represent long term loan received from Quinag Acquisition (FDI) Ltd repayable quarterly over a period 2 years commencing from 1 April 2023. The Group has received a consent from Holding Company towards deferment of quarterly repayment till 31 March 2023. Accordingly the loan has been classified as non current. The rate of interest on this loan is LIBOR plus 5.50%. As at 31 March 2021, the loan outstanding is USD 8.33 million (INR 622.39 million) (31 March 2020: USD 7.62 million ; INR 569.47 million) (31 March 2019 : USD 7.63 million ; INR 527.93 million). Further, interest accrued upto 31 March 2021 has been capitalised and shown as part of principal amount. (Refer note 34)

Invoice financing in foreign currency:

Invoice financing in foreign currency represents loan taken from HSBC bank amounting to Nil (31 March 2020 : INR 91.07 million ; 31 March 2019 : INR 100.49 million) which is secured by first charge over the discounted invoice of the Clinisupplies Limited and corporate guarantee of Healthium Medtech Limited repayable on demand. Interest rate for the facility is 1.95% over Bank of England base rate during the year ended 31 March 2020 and 31 March 2019.

Invoice financing:

Invoice financing from HSBC Bank of Nil (31 March 2020 : INR 166.70 million ; 31 March 2019 : Nil) represent 90 days loan from the bank towards payment to domestic vendor. The rate of interest ranges from Nil (31 March 2020 : 7.95% to 8.20% ; 31 March 2019 : Nil).

Domestic debtor factoring from bank:

Debtor factoring represents domestic debtor discounting without recourse from HSBC Bank of Nil (31 March 2020 : INR 45.50 million ; 31 March 2019 : Nil) repayable within 50 to 110 days. The rate of interest ranges from Nil (31 March 2020 : 8.10% to 8.20% ; 31 March 2019 : Nil)

in INR million

Import Nostro financing from bank:

Import nostro financing from HSBC Bank of INR 27.47 million (31 March 2020 : INR 16.30 million ; 31 March 2019 : Nil) represent 90 days dollar loan taken from the bank towards payment to import vendors. The rate of interest is in the current year 3.50% which is linked to LIBOR (31 March 2020 : 4.00% linked to LIBOR ; 31 March 2019 : Nil).

Pre and Post shipment finance:

Pre and post shipment finance from HSBC Bank represent rupee export credit under interest equalization scheme as per RBI instruction vide DBR.Dir.BC.No.69/04.02.001/2019-20 dated 13 May 2020. The rate of interest is in the range of 2.15% to 2.25% (31 March 2020 : Nil ; 31 March 2019 : Nil). This loan facility is repayable within 120 days.

The above facilities availed from HSBC bank are secured by way of a charge on Trade receivables, Current assets and Property, plant and equipment (PPE).

Working capital loan :

Working capital drawdown loan is from State Bank of India secured on fixed deposits. The rate of interest is 1% above FD rate which will be around 5.90% (31 March 2020 : Nil ; 31 March 2019 : Nil). This loan facility is repayable on demand.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

15 Trade payables
(carried at amortised cost)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Current			
Trade payables			
- Total outstanding dues of micro and small enterprises*	15.24	20.82	52.81
- Total outstanding dues of creditors other than micro and small enterprises	663.55	626.77	401.04
Total current trade payables	**678.79**	**647.59**	**453.85**

Terms and conditions of the above financial liabilities:
- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For information on financial risk objectives and policies, Refer note 36 (c).

*** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**
The Group has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2021, 31 March 2020 and 31 March 2019. The details in respect of such dues are as follows:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.42	16.32	49.97
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	3.82	4.50	2.84
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.95	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	0.27	1.66	1.48
The amount of interest accrued and remaining unpaid at the end of accounting year.	3.82	4.50	2.84
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	3.82	4.50	2.84

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

16 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current			
(carried at amortised cost)			
Payable towards Healthium Performance Based Key Employee Stock Incentive Plan ('PMIP') (Refer note 32)	-	21.22	-
Capital creditors	93.18	-	-
Deposits (unsecured)			
Deposits from consignee agents (Refer note (i))	29.30	32.60	50.74
Total other non-current financial liabilities	**122.48**	**53.82**	**50.74**
Current			
(carried at amortised cost)			
Accrued employee payables	210.92	185.63	208.33
Payable on account of minimum wages (Refer note 43)	8.33	75.69	69.70
Payable towards ESOP cash settlement (Refer note 32)	2.64	3.27	67.44
Interest accrued but not due on borrowings (Refer note 14)	-	72.61	23.61
Current maturities of long term borrowings (Refer note 14)	14.33	158.38	186.01
Capital creditors	18.02	-	-
Due to directors (Refer note 34)	2.30	2.00	1.20
	256.54	**497.58**	**556.29**
Financial liabilities at fair value through profit or loss			
Current			
Derivatives not designated as hedges			
Foreign exchange forward contracts	18.74	-	-
	18.74	**-**	**-**
Total other current financial liabilities	**275.28**	**497.58**	**556.29**

(i) Deposits from consignee agents carry interest @ 9.0% p.a. (31 March 2020 : 9.0% p.a. ; 31 March 2019 : 9.0% p.a.) and the deposits are repayable after the expiry of respective agreements with the agents.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

17 Other liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current			
Deposit from employees	6.02	8.27	18.00
Total other non-current liabilities	**6.02**	**8.27**	**18.00**
Current			
Payable to statutory/government authorities	96.74	66.24	44.49
Advance from customers	146.61	119.97	14.63
Total other current liabilities	**243.35**	**186.21**	**59.12**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

18 Provisions

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Non-current			
Provision for gratuity (Refer note 31)	2.22	18.74	-
Total non-current provision	**2.22**	**18.74**	**-**
Current			
Provision for compensated absence	24.61	26.83	25.19
Provision for expected loss from sale/liquidation of subsidiary (Refer note 30(i))	10.00	53.57	-
Provision for litigations *	10.51	76.40	-
Provision for gratuity (Refer note 31)	4.90	15.84	15.65
Total current provisions	**50.02**	**172.64**	**40.84**

* Includes provision of Nil (31 March 2020 : INR 67.22 million ; 31 March 2019 : Nil) towards National Pharmaceutical Pricing Authority ('NPPA') (Refer note 33(b)(vii)). Also, includes provision of INR 10.51 million (31 March 2020 : INR 9.18 million ; 31 March 2019 : Nil) towards indirect tax litigation.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

19 Income tax

The major components of income tax expense are:

Restated Consolidated Summary Statement of Profit and Loss:

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax:			
Current tax	274.47	295.75	207.05
Income tax credit pertaining to earlier period	(43.53)	(39.76)	-
Deferred tax:			
Relating to origination and reversal of temporary differences	45.11	(44.78)	(101.32)
Income tax expense reported in the restated consolidated summary statement of profit and loss	**276.05**	**211.21**	**105.73**

Other Comprehensive Income ('OCI') section

Deferred tax related to items recognised in OCI during the year:

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Tax effect on net (gain)/loss on remeasurements of defined benefit plans	(0.69)	(0.36)	0.98
Income tax charged to OCI	**(0.69)**	**(0.36)**	**0.98**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax	1,130.33	578.81	243.04
Statutory tax rate (%)	25.17%	29.12%	34.94%
At India's statutory income tax rate	**284.50**	**168.55**	**84.93**
Impact on account of non-deductible expenses	8.61	77.44	10.57
Impact on account of income exempt from tax	-	(18.19)	(22.47)
Impact on account of rate change *	16.60	29.78	-
Impact of reversal of income tax provision pertaining to earlier period	(43.53)	(39.76)	-
Effect of lower tax rates in the United Kingdom	(6.87)	(9.84)	(4.15)
Effect of lower tax rates in India	-	(28.50)	(29.81)
Effect of losses of subsidiary and no deferred tax recognised	14.06	40.93	70.31
Others, net	2.68	(9.20)	(3.65)
Income tax expense for the year	**276.05**	**211.21**	**105.73**
Income tax expense reported in the restated consolidated summary statement of profit and loss	**276.05**	**211.21**	**105.73**

* HML, HOPL and QNPL have opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019. As a result, for the year ended 31 March 2021, statutory tax rate in India has reduced to 25.17% (31 March 2020 : 29.12% ; 31 March 2019 : 34.94%). On account of rate reduction deferred tax assets have decreased by INR 16.60 million (31 March 2020 : INR 29.78 million ; 31 March 2019 : Nil) and the tax charge for the year have increased by INR 16.60 million (31 March 2020 : INR 29.78 million ; 31 March 2019 : Nil).

Deferred tax

Deferred tax relates to the following:

	Restated Consolidated Summary Statement of Assets and Liabilities			Restated Consolidated Summary Statement of Profit and Loss		
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation and amortization expense (difference between tax depreciation and depreciation/ amortization)	73.87	61.42	45.27	12.45	16.15	18.17
Impact of expenditure charged to the restated consolidated summary statement of profit and loss in the current year but allowed for tax purposes on payment basis	84.93	160.59	133.48	(75.66)	27.56	68.83
Impact on account of FVTPL of current investments	-	-	(0.08)	-	0.08	0.37
Others	38.15	24.49	23.72	13.66	0.77	14.80
Impact of exchange rate movement	-	-	-	3.75	(0.14)	0.13
Deferred tax expense/(income)				**(45.80)**	**44.42**	**102.30**
Net deferred tax assets/(liabilities)	**196.95**	**246.50**	**202.39**			

in INR million

Reconciliation of deferred tax asset (net):

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Opening balance as of 1 April	**246.50**	**201.94**	**100.22**
Tax income/(expense) during the year recognised in restated consolidated summary statement of profit and loss	(45.11)	44.78	101.32
Tax income/(expense) during the year recognised in OCI	(0.69)	(0.36)	0.98
Impact of exchange rate movement	(3.75)	0.14	(0.13)
Closing balance as at 31 March as per restated consolidated summary statement	**196.95**	**246.50**	**202.39**
Ind AS 116 transition adjustment (refer Annexure VII)	-	-	(0.45)
Closing balance as at 31 March as per audited consolidated financial statement	**196.95**	**246.50**	**201.94**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

There was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group’s subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The subsidiaries will not distribute the profits until it obtains the consent of the parent. The parent does not foresee giving such a consent at the reporting date.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

20 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	7,067.86	6,269.19	5,777.07
Other operating revenues			
Scrap sales	0.79	1.24	0.82
Export incentive	64.92	121.36	62.31
Total revenue from operations	**7,133.57**	**6,391.79**	**5,840.20**

20.1 Disaggregated revenue information

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Set out below is the disaggregation of the Group's revenue from contracts with customers:			
(a) Revenues by Geography			
India	2,602.33	2,487.65	2,438.05
United Kingdom	2,415.89	2,078.99	1,757.27
Rest of the world	2,115.35	1,825.15	1,644.88
Total	**7,133.57**	**6,391.79**	**5,840.20**
Geographical revenue is allocated based on the location of the customers.			
(b) Timing of revenue recognition			
Goods transferred at a point in time	7,067.86	6,269.19	5,777.07
Services transferred at a point in time	-	-	-
Total revenue from contracts with customers	**7,067.86**	**6,269.19**	**5,777.07**
(c) Set out below is the amount of revenue recognised from:			
Amounts included in contract liabilities at the beginning of the year	**119.97**	**14.63**	**22.53**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

21 Other income

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Dividend income	0.26	4.46	5.20
Profit on sale of investments (net)	2.41	-	3.85
Liabilities/ provisions no longer required written back	2.40	23.34	1.29
Foreign exchange gain (net)	88.57	73.09	-
Fair value gain on financial instruments at fair value through profit or loss	-	0.52	1.51
Net gain on sale/write off of property, plant and equipment	-	-	0.13
Other miscellaneous income	1.13	0.24	0.93
Total other income	**94.77**	**101.65**	**12.91**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

22 Finance income

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Interest income - bank deposits	39.24	28.72	33.21
Interest income - others	-	1.65	2.72
Total finance income	**39.24**	**30.37**	**35.93**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

23 Cost of raw material and components consumed #

23 (a) Raw material and components consumed *	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Inventory at the beginning of the year	391.36	344.97	294.72
Add: Purchases	1,463.17	1,168.53	1,315.38
	1,854.53	**1,513.50**	**1,610.10**
Less: Inventory at the end of the year	(374.20)	(391.36)	(344.97)
Total raw material and components consumed	**1,480.33**	**1,122.14**	**1,265.13**

* Refer note 44 with regard to capitalization of materials consumed for self constructed assets.

For the year ended 31 March 2019, Cost of raw material and components consumed does not include INR 50 million relating to write off of inventory on physical verification and INR 85 million relating to additional provisions made based on revised ageing policy and review of unfit, unusable and non-moving inventory. The Company has included it in exceptional items (Refer note 43(i)).

23 (b) Purchase of traded goods

	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Purchases of traded goods	1,228.11	952.35	770.44
Total purchase of traded goods	**1,228.11**	**952.35**	**770.44**

23 (c) (Increase)/decrease in inventories of finished goods, work-in progress and traded goods

		Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Inventories at the end of the year				
Finished goods		266.27	226.92	285.12
Work in progress		245.72	282.68	266.61
Traded goods		401.02	351.61	409.94
	A	**913.01**	**861.21**	**961.67**
Inventories at the beginning of the year				
Finished goods		226.92	285.12	370.42
Work in progress		282.68	266.61	243.34
Traded goods		351.61	409.94	348.64
	B	**861.21**	**961.67**	**962.40**
Exchange difference	**C**	30.62	5.52	(7.19)
(Increase)/decrease in inventories of finished goods, work-in progress and traded goods (B-A+C)		**(21.18)**	**105.98**	**(6.46)**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

24 Employee benefits expense

	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Salaries, wages and bonus*	1,421.14	1,406.83	1,261.20
Contribution to provident and other funds	159.60	147.33	113.44
Employee share based payments** (Refer note 32)	40.29	41.41	35.97
Gratuity expense	18.03	19.86	16.34
Staff welfare expenses	59.26	55.03	57.97
Total employee benefits expense	**1,698.32**	**1,670.46**	**1,484.92**

* (i) Does not include bonus amounting to Nil (31 March 2020 : Nil ; 31 March 2019 : INR 123.82 million), paid to certain employees including KMPs, is included in exceptional item (Refer note 43(ii)).
(ii) Refer note 44 with regard to employee costs in relation to self constructed assets.

** Does not include Nil (31 March 2020 write back of INR 3.13 million ; 31 March 2019 charge of INR 42.63 million) on account of accelerated vesting and cash settlement, is included in exceptional items (Refer note 43(ii)).

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

25 Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on Property, plant and equipment and Right-of-use assets (Refer note 3 and 5)	295.58	282.41	242.32
Depreciation expense capitalized during the year *	(2.74)	(2.54)	(3.51)
Depreciation adjusted with provision previously created **	(2.08)	-	-
	290.76	279.87	238.81
Amortization of intangible assets (Refer note 4)	62.55	35.26	26.48
Total depreciation and amortization expense	**353.31**	**315.13**	**265.29**

* Refer note 44 with regard to depreciation capitalised in relation to self constructed assets.

Impairment of Property, plant and equipment **	20.15	-	-
	20.15	-	-
Impairment adjusted with provision previously created **	(20.15)	-	-
Total impairment expense	-	-	-

** Represents impairment charge on property, plant and equipment held at MMM arising due to liquidation process being initiated. The current year depreciation expense and impairment charge has been netted off against the provision created for expected loss from subsidiary / liquidation of subsidiary during the year ended 31 March 2020 (refer note 30(i))

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

26 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Interest on debts and borrowings	55.13	56.93	41.77
Interest on term loan	0.55	1.00	1.79
Interest on lease liabilities and others	21.22	16.79	4.01
Total interest expense	**76.90**	**74.72**	**47.57**
Bank charges	17.97	17.45	24.30
Total finance costs	**94.87**	**92.17**	**71.87**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

27 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Freight and forwarding charges	225.39	190.56	182.26
Contract labour charges *	202.46	216.10	177.28
Travelling and conveyance	46.35	159.97	172.15
Advertising and sales promotion	83.27	135.28	144.67
Sales commission	66.61	106.80	138.26
Legal and professional fees **	132.76	146.06	104.58
Power and fuel ***	98.19	113.04	96.83
Repairs and maintenance			
Plant and Machinery	57.75	69.69	60.03
Buildings	26.74	14.67	14.25
Others	67.14	41.50	31.81
Foreign exchange loss (net)	-	-	38.96
Rates and taxes	42.07	80.03	51.90
Rent	8.40	12.17	8.18
Allowances for doubtful debts and advances	19.22	42.35	18.42
Royalty on sales	4.19	5.10	-
Insurance	26.68	23.66	18.95
CSR expenditure (Refer note 41)	20.89	16.28	15.60
Communication costs	14.21	12.76	10.32
Printing and stationery	5.14	7.97	6.13
Payment to auditors ****	16.49	11.02	11.17
Bad debts / advances written off	0.02	1.56	-
Impairment expense on CWIP	5.45	-	-
Storage expenses	63.00	31.38	20.27
Net loss on sale/write off of property, plant and equipment	4.72	6.56	-
Fair value loss on financial instruments at fair value through profit or loss	17.66	-	-
Loss on sale of investments (net)	-	0.24	-
Miscellaneous expenses *****	68.90	80.51	77.89
Total other expense	**1,323.70**	**1,525.26**	**1,399.91**

* Does not include reversal of minimum wages provision amounting to INR 20.21 million (31 March 2020 : Nil ; 31 March 2019 : Provision of INR 69.70 million), included in exceptional items (Refer note 43(iii)).

** Does not include consultant fee of Nil (31 March 2020 : Nil ; 31 March 2019 : INR 9.65 million) incurred at the time of change in shareholding from TPG Growth II SF Pte. Ltd to Quinag Acquisition (FDI) Ltd, included in exceptional items (Refer note 43(ii)).

*** Refer note 44 with regard to capitalization of expenditure in relation to self constructed assets.

**** Includes INR 12.27 million (31 March 2020: INR 8.33 million ; 31 March 2019 : INR 8.02 million) paid to statutory auditors for audit of standalone and consolidated financial statements of the Company, audit of a subsidiary company and other services and INR 4.22 million (31 March 2020: INR 2.69 million ; 31 March 2019 : INR 3.15 million) paid to other auditors of subsidiaries. For year ended 31 March 2021, INR 12.27 million includes INR 1 million pertaining to previous year 2019-2020.

***** Does not include Nil (31 March 2020 : Nil ; 31 March 2019 : INR 14.10 million) relating to provision for uncollected C and F forms included in exceptional items (Refer note 43(iv)).

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

28 Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the restated profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the restated profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Profit attributable to equity holders of parent	854.28	367.60	137.31
Weighted average number of Equity shares	46,260,661	46,237,064	46,185,574
Basic earnings per share	18.47	7.95	2.97
Diluted earnings per share *	18.47	7.95	2.97

* Stock options granted under Healthium Time Based Key Employee Stock Incentive Plan 2019 and Healthium Performance Based Key Employee Stock Incentive Plan 2019 are anti-dilutive since the exercise price is higher than fair value of shares and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended 31 March 2021 and 31 March 2020.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

29 Peekay Mediequip Limited (Peekay) :

During the year ended 31 March 2013, the Company acquired 81.85% stake in Peekay Mediequip Ltd. (Peekay), Thanjavur, Tamil Nadu, a public limited company which was in the business of disposable sterile surgical syringes, for an aggregate consideration of INR 211.71 million. Further, an amount of INR 64.16 million was advanced to Peekay for mitigating its temporary cash crunch.

The management of the Company noted certain discrepancies while examining the affairs of Peekay. As a result, the Company filed an application with the Company Law Board (CLB), Additional Principal Bench, Chennai and the Serious Fraud Investigation Office (SFIO), New Delhi seeking an investigation into the affairs of Peekay.

As a result of the above, it was considered that the diminution in value of the investment is other than temporary in nature. Accordingly, a provision of INR 275.87 million was made in the accounts for the year ended 31 March 2014 towards such diminution and provision towards loan doubtful of recovery.

During year ended 31 March 2017, the Company entered into a settlement agreement with Peekay and its promoters whereby the Company received INR 20.00 million towards transfer of entire equity shares held by the Company to the promoters of Peekay which had been disclosed as other income and it was agreed that loan of INR 64.16 million be repaid over a period of 24 months as per the repayment schedule prescribed therein from December 2016 onwards. Post entering of settlement agreement, the Company has not received any amount towards repayment loan as envisaged in the settlement agreement.

The Company joined the other financial creditors and filed an application for liquidation of Peekay under Insolvency and Bankruptcy code ('IBC'). Resolution professional ('RP') was appointed and Committee of Creditors ('COC') was formed in accordance with Insolvency and Bankruptcy Board of India ('IBBI'). The Claim of the Company for INR 64.16 million against Peekay was admitted. Peekay promoter promised to pay all the financial creditors partially but failed to pay. In accordance with the IBBI guidance resolution plan draft was approved by COC and an advertisement was made seeking expression of interest from any other investors interested in participating in resolution plan and buying out Peekay. The COC have received the final list of eligible applicants in the month of June 2020 and is in the process of review and approval of the resolution plan. The resolution plan made by Promoters of Peekay was approved by COC and resolution plan is filed with NCLT and pending approval.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

30 Investment in subsidiaries

(i) Mena Medical Manufacturing FZC ('MMM'):

The Company in their Extra ordinary general meeting held on 25 May 2020 has approved and authorised the directors to take all necessary decisions and actions to exit out of MMM shareholding by transfer of shares/liquidating the entity/or any other option favourable to the Company by selling and disposing off 765 equity shares of face value AED 100 each held in MMM.

As of 31 March 2020, the Group recorded provision amounting to INR 53.57 million (31 March 2019: Nil) being expected loss from liquidation of subsidiary in the restated consolidated summary statement of profit and loss. During the year ended 31 March 2021, all the costs incurred towards liquidation of MMM have been adjusted with the provision created in the previous year and as of 31 March 2021, the Group continues to hold provision amounting to INR 10 million towards expected loss from liquidation of subsidiary. The restated consolidated summary statements for the year ended 31 March 2021 include revenue of Nil (31 March 2020: INR 44.19 million; 31 March 2019 : INR 112.03 million), loss before tax of Nil (net of loss of INR 43.57 million adjusted with aforesaid provision) (31 March 2020 : INR 34.96 million ; 31 March 2019 : INR 17.86 million) and total assets of INR 9.72 million as on 31 March 2021 (31 March 2020 : INR 68.53 million ; 31 March 2019 : INR 105.50 million).

Further, the Company while representing in shareholders meeting of MMM held on 16 November 2020 has approved liquidation application to be filed with Sharjah Court. The liquidation application was filed on 16 December 2020 and the hearing on the application is currently pending.

(ii) Healthium OEM Private Limited ('HOPL')

Scheme of Arrangement for amalgamation of Healthium OEM Private Limited with the Company and Reclassification of General Reserves of the Company:

During the year ended 31 March 2021, the Scheme of Arrangement ("the Scheme") has been filed by the Company with the National Company Law Tribunal, Bengaluru Bench for approval of:

a. Merger of Healthium OEM Private Limited ("Transferor Company") with the Parent Company ("Transferee Company"), considering appointed date as 1 April 2021. Upon receipt of approval, the Scheme shall be given effect.
b. Reclassification of INR 1,220.10 million from General Reserves be credited to the balance of the 'Profit and Loss Account' of the Parent Company.

(iii) CliniDirect Pharmacy business

The Group decided that the pharmacy business in UK operation as non-core and did not fit with the strategic plans for the group and accordingly, closed pharmacy business during the year. As the pharmacy business contributed less than a percentage on consolidated revenue, the Group is of the view that it is not significant and does not represent a separate major line of business or geographical area of operations and accordingly not disclosed separately as a discontinued operation. The restated consolidated summary statement for the year ended 31 March 2021 include revenue of INR 44.90 million (31 March 2020: INR 52.63 million ; 31 March 2019 : INR 71.61 million), loss before tax of INR 13.97 million (31 March 2020: profit before tax INR 5.22 million ; 31 March 2019 : loss before tax 2.27 million) and total assets of Nil as on 31 March 2021 (31 March 2020: INR 0.14 million ; 31 March 2019 : INR 1.37 million).

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

31 Gratuity and other post-employment benefit plans:

(a) Defined contribution plans

The Group makes contributions to Provident Fund, Employee State Insurance scheme contributions, National Insurance (United Kingdom) and Pension fund (United Kingdom) which are defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Group recognized INR 50.46 million (31 March 2020 : INR 49.60 million ; 31 March 2019 : INR 44.30 million) for Provident Fund contributions, INR 6.20 million (31 March 2020 : INR 7.27 million ; 31 March 2019 : INR 8.83 million) for Employee State Insurance scheme contribution, INR 53.61 million (31 March 2020 : INR 51.11 million ; 31 March 2019: INR 38.56 million) for National Insurance and INR 49.33 million (31 March 2020 : INR 39.35 million ; 31 March 2019: INR 21.75 million) for Pension fund in the restated consolidated summary statement of profit and loss.

(b) Defined benefit plans

Gratuity

The Group offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary as amended from time to time for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the restated consolidated summary statement of profit and loss and the funded status and amounts recognised in the restated consolidated summary statement of assets and liabilities for the respective plans:

Disclosure as per Ind AS 19

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Change in projected benefit obligations			
Obligations at beginning of the year	126.79	121.98	108.51
Current Service cost	17.16	18.73	15.19
Interest cost	8.26	8.26	7.87
Benefits settled	(6.56)	(20.96)	(11.05)
Actuarial (gain) /loss (through OCI)	(4.19)	(1.22)	1.46
Obligations at end of the year	**141.46**	**126.79**	**121.98**
Change in plan assets			
Plan assets at beginning of the year, at fair value	92.21	106.33	84.27
Interest income	7.39	7.13	6.71
Actuarial gain /(loss) (through OCI)	(0.85)	(0.79)	(1.24)
Contributions	60.87	0.50	25.44
Benefits settled	(6.56)	(20.96)	(8.85)
Plan assets at end of the year	**153.06**	**92.21**	**106.33**
Present value of defined benefit obligation at the end of the year	141.46	126.79	121.98
Fair value of plan assets at the end of the year	153.06	92.21	106.33
Net liability/(asset) recognised in the restated consolidated summary statement of assets and liabilities *	**(11.60)**	**34.58**	**15.65**
Expenses recognised in restated consolidated summary statement of profit and loss			
Service cost	17.16	18.73	15.19
Interest cost (net)	0.87	1.13	1.16
Net gratuity cost	**18.03**	**19.86**	**16.34**
Re-measurement gains / (losses) in OCI			
Actuarial loss/ (gain) due to financial assumption changes	4.19	1.22	(1.46)
Return on plan assets (greater)/less than discount rate	(0.85)	(0.79)	(1.24)
Total loss/(gain) routed through OCI	**3.34**	**0.43**	**(2.70)**

* The net asset amounting to INR 11.60 million as at 31 March 2021 represents excess contribution to gratuity fund by HML INR 18.72 milion disclosed in note 10 netted of against gratuity liability in QNPL INR 7.12 million disclosed in note 18.

in INR million

The major categories of plan assets of the fair value of the total plan assets are as follows:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Investments with insurer	100%	100%	100%

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

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
	%	%	%
Discount rate	6.60%	6.70%-7.00%	7.10%-7.75%
Escalation rate	8%-9% for first three years. Thereafter 6%-7%	6%-9%	9%-10% for first year. Thereafter 8%- 9%
Withdrawal rate	5%-7%	5%-7%	5%-7%
Estimated rate of return on plan assets	6.60%	6.70%-7.00%	7.10%-7.75%
Retirement age	58 to 60 years	58 to 60 years	58 to 60 years
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

A quantitative sensitivity analysis for significant assumption is shown below:

Defined benefit obligation			
Sensitivity Level	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Discount rate			
1% increase	(11.67)	(10.99)	(10.22)
1% decrease	13.50	12.80	11.87
Escalation rate			
1% increase	12.93	12.44	11.05
1% decrease	(11.42)	(10.71)	(9.84)
Withdrawal rate			
1% increase	(0.60)	(1.10)	(0.99)
1% decrease	0.62	1.21	1.08

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected benefit settlements in future years:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Within the next 12 months	9.42	15.84	15.65
Between 2 and 5 years	34.51	22.38	31.80
Beyond 5 years	129.91	118.31	101.08
Contributions likely to be made for the next one year	9.42	15.84	15.65

The average duration of the defined benefit plan obligation at the end of the reporting period is 9-14 years (31 March 2020 : 9-15 years ; 31 March 2019 : 9-15 years).

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

Annexure VI - Notes to Restated Consolidated Summary Statement in INR million

32 Share-based payments

a) Healthium Performance Based Key Employee Stock Incentive Plan 2019 ("PMIP")

On 5 May 2019, the Board of directors approved Healthium Performance Based Key Employee Stock Incentive Plan 2019 ("PMIP") for certain key employees, based on the Company's performance and equity value creation. Pursuant to this plan, the Company granted 262,430 stock options (31 March 2020: 2,035,870 stock options).

Vesting of the PMIP units is dependent upon the cumulative value realized by the Holding Company from the investment. Specifically, there is no time-based vesting for the PMIP units; instead, the vesting is based entirely on performance (as measured by returns to the Holding Company).

Upon exercise, the Administrator (i.e. Board of the Company) shall be entitled to cause the options to be settled in cash or equity. In the previous year the management believed that there was a probability of settling these award in cash and accordingly recorded it as a financial liability. In October 2020, the Board of directors revisited the settlement criteria and was of the view that the awards will be settled by way of issuance of equity. Accordingly, this has been treated as modification and accounted as per below principles :

1.The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date i.e. 1 October 2020.
2.The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.
3.The difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised in restated consolidated summary statement of profit and loss.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2021 Number	Year ended 31 March 2021 WAEP* (in INR)	Year ended 31 March 2020 Number	Year ended 31 March 2020 WAEP* (in INR)
Outstanding at 1 April	2,035,870	482	-	-
Granted during the year	262,430	511	2,035,870	482
Forfeited during the year	(50,530)	485	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of the year	**2,247,770**	**486**	**2,035,870**	**482**
Exercisable at end of the year	-	-	-	-

* INR equivalent of USD 6.96 per option

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 4 years (31 March 2020: 5 years)
The following table list the inputs to the model used for the PMIP plan :

	Year ended 31 March 2021	Year ended 31 March 2020
Dividend yield (%)	1.46%	3.00%
Expected volatility (%)	28.98% to 29.68%	25.39%
Risk-free interest rate (%)	5.13% to 5.40%	7.28%
Expected life of share options (years)	3.94 to 5.42	5.90
Weighted average share price (INR)	511	482
Weighted average fair value of stock options (INR)	51.77 to 54.89	68.28

b) Healthium Time Based Key Employee Stock Incentive Plan 2019 ("TMIP")

On 5 May 2019, the Board of directors approved Healthium Time Based Key Employee Stock Incentive Plan 2019 ("TMIP") for certain key employees. Pursuant to this plan, the Company granted 56,350 stock options (31 March 2020: 437,150 stock options).

Each option granted under the Time Based MIP 2019, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of INR 511 (USD 6.96) per share (31 March 2020 : INR 482 (USD 6.96) per share). The equity shares covered under these options vest over a period of 5 years from the date of grant. The options granted shall be capable of being exercised at anytime post vesting and till occurrence of exit event as prescribed in the plan.

The fair value of options granted is estimated at the date of grant using a Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The expected life input is based on historical exercise patterns and post vesting termination behaviour. This model takes into consideration the following inputs that are required to compute the fair value of a stock option: 1) the exercise price of the option; 2) the fair market value of the underlying share; 3) the expected term of the option; 4) the expected volatility of the price of the underlying share; 5) the expected dividend yield of the underlying share; and 6) the risk-free interest rate over the expected term of the option.

The risk-free interest rate input is based on zero coupon yield curve for government securities with maturity equal to the expected life of the option. An annualised dividend yield based on the per share dividend declared by the Board of Directors of the Holding Company is used.

Annexure VI - Notes to Restated Consolidated Summary Statement in INR million

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2021 Number	Year ended 31 March 2021 WAEP* (in INR)	Year ended 31 March 2020 Number	Year ended 31 March 2020 WAEP* (in INR)
Outstanding at 1 April	437,150	482	-	-
Granted during the year	56,350	511	437,150	482
Forfeited during the year	(10,850)	485	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of the year	**482,650**	**486**	**437,150**	**482**
Exercisable at end of the year	85,120	488	-	-

* INR equivalent of USD 6.96 per option

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 3.25 years (31 March 2020: 4.10 years).

The following table list the inputs to the model used for TMIP plan:

	Year ended 31 March 2021	Year ended 31 March 2020
Dividend yield (%)	1.46%	3.00%
Expected volatility (%)	28.98% to 29.68%	25.17% to 25.64%
Risk-free interest rate (%)	5.13% to 5.40%	6.99% to 7.24%
Expected life of share options (years)	3.94 to 5.42	3.45 to 5.46
Weighted average share price (INR)	511	482
Model used	Black Scholes	Black Scholes
Weighted average fair value of stock options (INR)	108.61 to 115.95	121.29

c) Employee Stock-Option Scheme 2014 ('ESOP 2014')

On 7 February 2014, the Board of directors of the Company approved the Employees Stock Option Scheme 2014 ("ESOP 2014") which provides for the issue of options to all the employees of the Company.

Each option granted under the ESOP 2014, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of INR 225 to INR 315 per share. The equity shares covered under these options vest over a period ranging from 1 year to 4 years from the date of grant. The options granted shall be capable of being exercised within a period of five years from the date of vesting of the respective options.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2019 Number	Year ended 31 March 2019 WAEP
Outstanding at 1 April	411,961	243
Forfeited during the year	(54,321)	225
Cancelled during the year	269,640	225
Exercised during the year	88,000	225
Outstanding at 31 March	**-**	**-**
Exercisable at 31 March	-	-

In June 2018 certain employees had requested and tendered for cancellation of all the vested options held by them subject to payment of cash consideration of INR 230.59 per vested option. Board of directors in their meeting held on 22 June 2018 resolved cancellation of 174,220 vested options in lieu of settlement of INR 230.59 per vested option.

In March 2019, the Board of directors in their meeting resolved to accelerate the vesting of all unvested options. Subsequently, all the vested options held by the employees were cancelled in lieu of cash consideration. Accordingly, 59,225 vested options were cancelled in lieu of settlement of INR 230.59 per vested option and 36,195 vested options were cancelled in lieu of settlement of INR 140.59 per vested option.

During the year ended 31 March 2019, one of the director exercised 88,000 employee stock options from 2014 plan and was allotted 88,000 equity shares of INR 2 each at an exercise price of INR 225.

The following tables list the inputs to the models used for the ESOP plan for the year ended 31 March 2019:

	Year ended 31 March 2019
Dividend yield (%)	0.43% to 1.89%
Expected volatility (%)	14.00%
Risk-free interest rate (%)	7.10% to 8.50%
Expected life of share options (years)	6.50
Weighted average share price (INR)	229
Model used	Black Scholes
Weighted average fair value of stock options (INR)	66.23 - 135.57

Annexure VI - Notes to Restated Consolidated Summary Statement in INR million

d) Employee Stock-Option Scheme 2016 ('ESOP 2016')

On 24 April 2017, the Board of directors of the Company approved the Employees Stock Option Scheme 2016 ("ESOP 2016") which provides for the issue of options to all the employees of the Company and its Subsidiaries.

Each option granted under the ESOP 2016, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of INR 330 per share. The equity shares covered under these options vest over a period ranging from 1 year to 5 years from the date of grant. The options granted shall be capable of being exercised within a period of five years from the date of vesting of the respective options.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2019	
	Number	**WAEP**
Outstanding at 1 April	629,446	330
Forfeited during the year	(26,000)	330
Cancelled during the year	571,706	330
Exercised during the year	31,740	330
Outstanding at end of the year	-	-
Exercisable at end of the year	-	-

The following tables list the inputs to the models used for the ESOP plan for the year ended 31 March 2019:

	Year ended 31 March 2019
Dividend yield (%)	0.35%
Expected volatility (%)	15.61%
Risk-free interest rate (%)	6.71%
Expected life of share options (years)	4.30
Weighted average share price (INR)	403
Model used	Black Scholes
Weighted average fair value of stock options (INR)	153.42

In March 2019, the Board of directors in their meeting resolved to accelerate the vesting of all unvested options. Subsequently, all the vested options held by the employees were cancelled in lieu of cash consideration. Accordingly, 184,120 vested options were cancelled in lieu of settlement of INR 153.42 per vested option and 387,586 vested options were cancelled in lieu of settlement of INR 125.59 per vested option.

During the year ended 31 March 2019, one of the director exercised 31,740 employee stock options from 2016 plan and was allotted 31,740 equity shares of INR 2 each at an exercise price of INR 225.

e) Class G Preference shares

The current G-Share scheme that is applicable to selected employees of CliniSupplies Limited is due for pay out in May 2022. The G-Share scheme was launched to remove agency issues in the Company and align incentives between management and the members. Clinisupplies Limited has issued 10,000 (31 March 2020: 9,400 ; 31 March 2019: 9,400) Class G preference shares (“G Shares”) to selected employees at value of GBP 0.01. The employees holding the G shares are not eligible for dividends or voting rights or any share in the residual interest of the subsidiary on occurrence of a liquidation event. These G shares awarded were expected to be settled by 30 May 2022 based on the EBITDA targets achieved. However, the Company’s growth trajectory had been impeded due to Covid-19 and external circumstances have meant that the actual achieved numbers in May 2022 may be substantially less than originally projected. The management of the Parent Company and the members of the Subsidiary, have modified the G Share plan and have extended the term of measuring EBITDA targets by six months ending 30 November 2022, with the pay-out by 31 March 2023. Currently, the management believes that the subsidiary would achieve the EBITDA target of GBP 4 million and accordingly has maintained a provision of GBP 0.62 million (INR 59.83 million) towards the settlement of G Shares (31 March 2020: INR 59.83 million ; 31 March 2019 : INR 59.83 million).

f) Stock options of Ultimate Holding Company

During the year ended 31 March 2021, the Company has appointed Mr. Ramesh Subrahmanian w.e.f , 29 September 2020 and Mr. Ajay Gupta w.e.f., 10 December 2020 as non-executive directors. The Subsidiary, Clinisupplies Limited has entered into a consultancy agreements with aforesaid non-executive Directors of the Company to advice and support on strategy and business development, merger and acquisition and mentoring senior management. The non-executive directors (or their affiliates) have invested an aggregate amount of USD 0.5 million in the equity shares and USD 0.75 million in loan notes of Tummel HoldCo Ltd, the Ultimate Holding Company. Further, the non-executive directors (or their affiliates) have been issued an aggregate options to purchase an aggregate of 201,100 ordinary shares of Tummel HoldCo Ltd, in addition to a fixed cash consideration. The Group has carried out fair valuation of options granted using Black-Scholes pricing model and has fair valued the co-investment, taking into account the terms and conditions. The fair value derived was immaterial and accordingly no cost has been recorded. The assumptions used for determining the fair value are as follows:

Dividend yield	0%
Expected volatility	38.90%
Risk-free interest rate	0.90%
Expected life of share options	4 years
Weighted average share price	$1
Weighted average fair value of stock options	$0.09

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

33 Commitments and contingencies

a. Other commitments

		As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i)	Aggregate value of commitments made on unexecuted capital contracts not provided for	109.11	100.95	43.96
(ii)	Value of outstanding letter of credits for purchase of raw material	50.05	26.09	24.20

b. Contingent Liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Bank guarantee (i)	33.40	42.84	70.80
Claims against the group not acknowledged as debts			
a) Excise duty matters, under appeal (ii)	-	-	130.81
b) Income tax matters (iii)	59.42	124.53	46.41
c) Customs duty matters, under appeal (iv)	1.19	1.05	55.91
d) Service tax matters, under appeal (v)	16.82	21.56	21.56
e) VAT/CST matters (vi) (Including INR 1.01 million (31 March 2020 : INR 32.01 million; 31 March 2019: INR 43.46 million for pending C Form))	1.01	58.66	43.46
f) National Pharmaceutical Pricing Authority ('NPPA') (vii)	49.21	49.21	-
	161.05	**297.85**	**368.95**

(i) Bank guarantee has been given as guarantee to certain customers for executed contracts.

(ii) The Company had received various demand orders in respect of period March 2003 to February 2008 demanding excise duty, penalty etc of INR 130.81 million (including penalty of INR 65.40 million) in respect of sale of sutures without payment of appropriate excise duty by wrongly claiming the exemption in terms of Sl. nos. 267 and 268 of notification no. 6/2002-CE dated 1 March 2002. During the year ended 31 March 2020, the Company settled the claims under Sabka Vishwas Scheme by payout of INR 29.60 million.

(iii) The Company has received demand orders based on the assessment by authorities till financial year 2016-2017, wherein certain adjustments were made to the taxable income in relation to various matters under section 37(1) and section 40(a)(ia) of Income Tax Act, 1961. These demands are disputed by the management and the Company has filed appeals against these orders with various appellate authorities. The management is confident that its position will likely be upheld on ultimate resolution and will not have material adverse effect on the Company’s financial position and results of operations.

(iv) As at 31 March 2019 the Company has received demand order in respect of import of surgical tapes (‘tapes’) by paying concessional rate of 5% BCD and NIL CVD as per notification 21/2002 dated 1 March 2002. In this regard during the year ended 31 March 2020, the Company had received favourable order. During the year ended 31 March 2020, the Company has received demand order in respect of diversion of raw materials from EOU unit to domestic facility. This demand is disputed by the management and the Company has filed appeal against these order with appellate authority. The management is confident that the demand raised by the Assessing Officer are not tenable under law.

(v) The Company has received demand order in respect of remuneration paid to Directors, under Section 68(2) of Finance Act amounting to INR 11.86 million (March 2020 : INR 21.56 million ; March 2019 : INR 21.56 million) in respect of period 2012 to 2017. The Company has preferred an appeal against the aforesaid demand order which is pending as of date. The Company had paid INR 0.81 million under protest and further had paid INR 0.27 million differential of 2.5% for appeal in Tribunal to ensure 10% deposit. The Company is of the view that no liability would arise in respect of the aforesaid order and accordingly, no adjustments have been made in respect of this order in the restated consolidated summary statement. Further, the Company has demand in respect of common input taken on services amounting to INR 9.91 million (March 2020 : INR 4.95 million ; March 2019 : Nil) for the period April 2016 to June 2017. The Company has created provision to the extent of the demand amount INR 4.95 million and INR 4.95 million disclosure have been made under contingent liability.

(vi) The Company has received order from Department of Goods and service tax Maharashtra towards assessment of VAT for financial year 2014-2015 and 2015-2016. The order confirms the investigation office of Maharashtra Sales tax concern on VAT % from 5.5% to 12.5% on Sutures which is classifed as device . The total demand raised by department is Nil (31 March 2020: INR 26.33 million ; 31 March 2019: Nil) for both years (INR 13.05 million for financial year 2014-2015 and INR 13.28 million for financial year 2015-2016). The Company has filed appeal against the order on ground Sutures is drug as per Drugs and Cosmetics Act 1940 and sutures is categorised as drug as per order dated 20/04/2010. The Company has received favourable order from Joint Commissioner of State Tax Appeals granting total relief against Liability of INR 26.33 million for financial year 2014-2015 and 2015-2016. Further, the Company is estimating INR 2.30 million (31 March 2020 : INR 32.01 million ; 31 March 2019 : INR 43.46 million) liability towards Form C and F, INR 1.29 million (31 March 2020: Nil ; 31 March 2019: Nil) has been provided in books and balance INR 1.01 million (31 March 2020 : INR 32.01 million ; 31 March 2019 : INR 43.46 million) considered as contingent liability.

(vii) The National Pharmaceutical Pricing Authority ("NPPA") issued a notice to the Company on 5 April 2018 seeking information in relation to the pricing of the catheters sold by the Company. The Company had increased the maximum retail price ("MRP") displayed on the packaging of certain types of catheters sold from INR 108 to INR 180 between the period October 2016 to April 2018. This increase in MRP was beyond the limit prescribed under Paragraph 20 (1) of the Drugs Price Control Order, 2013 ("DPCO, 2013") which permits only a 10% increase in the MRP of such products on a year on year basis. Subsequently on 5 February 2019 issued a demand notice ("Demand Notice") for alleged violation of Paragraph 20 of DPCO 2013 and directed the Company to deposit a sum of INR 128.41 million. The Company vide its written representations submitted that despite the increase in the price of the medical devices i.e. catheters, their realization price for the Company was constant. NPPA rejected the submissions of the Company and confirmed the Demand Notice vide its order dated 4 April 2019. Additionally, the NPPA also demanded payment of interest @ 15% calculated for the period from 1 December 2016 to 30 June 2019.
Pursuant to order dated 31 October 2019 passed by Delhi High Court, the Company deposited 50% of the principal amount i.e. INR 64.20 million with the NPPA. Additionally , NPPA provided an opportunity for a personal hearing to the Company on 11 February 2020. NPPA vide its order dated 26 February 2020 rejected submissions of the Company and reinstated the Demand Notice further adding interest upto 29 February 2020. The Company had been directed to deposit an amount of INR 113.41 million (including interest of INR 49.21 million).

The Company has challenged the order dated 26 February 2020 passed by NPPA before the Delhi High Court by way of a Writ Petition No. 9902 of 2020 titled as Healthium Medtech Pvt. Ltd. v. Union of India and Ors. The Company also contended that imposition of interest was beyond Section 3 read with Section – 7A of the Act.

The Company has deposited the principal amount demanded by NPPA amount in 2 tranches - on 19 November 2019 INR 64.20 million and on 6 April 2020 INR 64.20 million to prevent further accrual of interest. The Hon'ble High Court vide its order dated 7 December 2020 has observed that the Company has deposited the principal amount and directed NPPA not to take any coercive steps against the Company till the next date of hearing. The said interim order is continuing till date and the next date of hearing.

(viii) In relation to total initial term facility commitments of USD 115 million and total initial revolving facility commitments by Broad Street Credit Holdings LLC (the original lender) to the holding company, Quinag Acquisition (FDI) Ltd (the borrower) vide facilities agreement originally dated 7 June 2018 (and as amended and restated on 25 September 2018), subsidiaries of the Company incorporated in 'England and Wales' and 'Netherlands' namely Clinisupplies Limited, Clinidirect Limited, Sironium Medical Technologies Limited and Sironix Medical Technologies B.V. have agreed to be an additional guarantor for the said facility. In this regard,

a. CliniDirect Limited, Clinisupplies Limited and Sironium Medical Technologies Limited have entered into an English law governed debenture dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over its Tangible Moveable Property, Shares and Related Rights, Bank Accounts and Related Rights, goodwill and uncapped capital and assignment over Insurance Policies and Intra-Group Receivables (each as defined therein).

b. Sironix Medical Technologies B.V. has entered into:
i. an English law governed debenture dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over the shares held by it in Clinisupplies Limited and CliniDirect Limited, and Bank Accounts and Related Rights; and

ii. a Dutch law governed security agreement dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over its movable assets, bank accounts, insurances, intercompany receivables, relevant agreements and other rights.

c. The loan outstanding as of 31 March 2021 is USD 119.67 million (31 March 2020: USD 115 million ; 31 March 2019: USD 115 million).

(ix) The Hon'ble Supreme Court (SC) of India in a judgment on Provident Fund (PF) dated 28 February 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. The Company determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the SC judgment on PF dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. Since there are no further developments, the Company has taken a position to treat this SC ruling as prospective in nature and has given effect to it accordingly.

(x) The Company has certain other disputes, lawsuits and claims, including labour related matters, which arise in from time to time in the ordinary course of business. The Company believes that such matters are not expected to have material financial impacts on its restated consolidated summary statement.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

34 Related party transactions:

Note 1 (b) in Annexure V - Significant accounting policies forming part of Restated Consolidated Summary Statement provides the information about the Group's structure including the details of the subsidiaries. Names of related parties and related party relationship, irrespective of whether transactions have occurred or not is given below:

Name of related party	Nature of relationship
Entity with significant influence over the Group:	
Tummel HoldCo Ltd (from 22 June 2018)	Ultimate Holding Company
Quinag Acquisition (FDI) Ltd ('Quinag') (from 22 June 2018)	Holding Company
TPG Growth II Markets Pte Ltd (upto 22 June 2018)	Holding Company
Healthium OEM Private Limited	Wholly owned subsidiary
Sironix Medical Technologies BV	Wholly owned subsidiary
Sironium Medical Technologies Limited	Wholly owned subsidiary
Mena Medical Manufacturing FZC	Wholly owned subsidiary
Clinisupplies Limited	Wholly owned subsidiary of Sironix Medical Technologies BV
Clinidirect Limited	Wholly owned subsidiary of Sironix Medical Technologies BV
Quality Needles Private Limited	Wholly owned subsidiary of Healthium OEM Private Limited
Meditex Supplies Limited	Wholly owned subsidiary of Clinisupplies Limited
Minority shareholder of subsidiary:	
Yasour Co.	Minority shareholder of subsidiary
Key management personnel:	
Mr. L. G. Chandrasekhar (till 22 June 2018)	Non executive Director
Mr. Mohammed Azeez	Chief Operating Officer and Director
Mr. Dinesh Kumar Lodha (till 31 August 2018)	Chief Executive Officer
Mr. K.S. Reddy (till 10 January 2020)	Chief Compliance Officer and Company Secretary (Chief Financial Officer till 25 February 2019)
Mr. Ankur Nand Thadani (till 22 June 2018)	Director
Mr. Mayank Bajpai (till 22 June 2018)	Director
Mr. Thyagarajan Venkaraman (till 22 June 2018)	Director
Mr. Vivek Chhachhi (till 22 June 2018)	Director
Mr. Vishal Bali (till 22 June 2018)	Director
Mr. Mahadevan Narayanamoni (till 22 June 2018)	Director
Mr. Sudarshan Kailash Chandra Jain (w.e.f. 22 June 2018)	Director
Mr. Shashank Singh (w.e.f. 22 June 2018)	Director
Mr. Steven Lewis Dyson (w.e.f 22 June 2018)	Director
Mr. Anish Vanraj Bafna (w.e.f. 29 November 2018)	Chief Executive Officer and Managing Director
Mr. Ramesh Subrahmanian (w.e.f. 29 September 2020)	Additional Director
Mr. Ajay Gupta (w.e.f. 10 December 2020)	Additional Director
Mr. Vishal Maheshwari (w.e.f. 25 February 2019)	Group Chief Financial Officer
Ms. Pallavi Karkera (w.e.f. 11 January 2020)	Company Secretary
Mr Viney Sagar Sahgal (upto 31 March 2019)	Managing Director in QNPL
Mr Sridhar (upto 31 March 2019)	Director in QNPL
Mr. Mahadevan Narayanamoni (till 31 March 2019)	Director in QNPL
Mr. Hemang Badiani (till 1 April 2018)	Executive director in CSL and CDL
Mr. Vivek Vinod Singh (w.e.f. 20 March 2019)	Director in QNPL
Mr. Paul Cook (w.e.f. 8 February 2018)	Director in CSL and CDL
Mr. Samik Basu (w.e.f. 22 June 2018)	Director in CSL and CDL
Ms. Shrithee Megaji Shekar (w.e.f. 16 May 2019 till 3 April 2020)	Company Secretary of HOPL
Ms. Kankana Barua (w.e.f. 4 April 2020)	Company Secretary of HOPL and Group Chief Human Resource Officer
Company with significant shareholders interest	
Imperial Consulting (London) Limited (till 22 June 2018)	

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in INR million

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Transactions with the above related parties were:

Related party name	Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Quinag Acquisition (FDI) Ltd	Loan received	74.37	-	563.13
	Loan repaid	22.40	-	35.20
	Interest cost	40.45	45.84	33.27
	Dividend paid	311.72	671.45	72.51
Mr. Vishal Maheshwari	Issue of equity shares on preferential allotment	7.50	-	-
	Dividend paid	0.11	-	-
Mr. Sudarshan Kailash Chandra Jain	Issue of equity shares on preferential allotment	3.00	-	-
	Dividend paid	0.04	-	-
Ms. Kankana Barua	Issue of equity shares on preferential allotment	9.53	-	-
	Dividend paid	0.14	-	-
Imperial Consulting (London) Limited	Professional services (included in CWIP)	-	-	11.07
Yasour Co.	Commission paid	-	-	22.99
Key management personnel:				
Mr. Mohammed Azeez	Remuneration paid*	7.81	10.72	8.38
	Reimbursement of expenses	0.24	0.24	-
Mr. Dinesh Kumar Lodha	Remuneration paid*	-	-	41.24
Mr. KS Reddy	Remuneration paid*	-	9.60	9.69
	Reimbursement of expenses	-	0.23	-
Mr. Viney Sagar Sahgal	Remuneration paid*	-	-	16.04
Mr. Vivek Vinod Singh	Remuneration paid*	14.04	11.96	0.22
Mr. Sridhar	Remuneration paid*	-	-	16.06
Mr. Paul Cook	Remuneration paid*	22.02	17.94	20.40
Mr. Samik Basu	Remuneration paid*	16.18	11.68	6.39
Mr. Anish Bafna	Remuneration paid*	59.98	56.06	77.25
	Reimbursement of expenses	-	-	5.16
Mr. Vishal Maheshwari	Remuneration paid*	16.83	12.48	5.39
Ms. Pallavi Karkera	Remuneration paid*	1.41	0.32	-
Mr. Mahadevan Narayanamoni	Professional fees	-	-	9.65
Mr. Ramesh Subrahmanian	Consultancy service **	1.94	-	-
Mr. Ajay Gupta	Consultancy service **	1.13	-	-
Ms. Shrithee Megaji Shekar	Remuneration paid*	0.10	0.66	-
Ms. Kankana Barua	Remuneration paid*	11.00	-	-

* As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.

During the year ended 31 March 2021, the Company has granted 4,890 options and 1,050 options (31 March 2020: 1,581,100 options and 339,500 options) to key management personnel under PMIP and TMIP respectively. The amount pertaining to these options are not included above. (Refer note 32(a) and 32(b))

As at 31 March 2021, CliniSupplies Limited has outstanding 3,550 (31 March 2020: 3,550 and 31 March 2019: 3,500) Class G Preference Shares to key management personnel. (Refer note 32(e))

** During the year ended 31 March 2021, the Ultimate Holding Company has granted 201,100 options to 2 non-executive additional directors of the Company. The amount pertaining to these options are not included above. (Refer note 32(f))

in INR million

Balances at the year end:

Related party name	**Nature of transactions**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Mr Viney Sagar Sahgal	Managerial remuneration payable	-	-	0.77
Mr Vivek Vinod Singh	Managerial remuneration payable	2.30	2.00	-
Mr Sridhar	Managerial remuneration payable	-	-	0.43
Mr Mahadevan Narayanamoni	Professional fees payable	-	-	1.13
Quinag Acquisition (FDI) Ltd	Loan payable	741.36	569.47	527.93
	Interest payable (Refer note 14)	-	72.61	23.61
Yasour Co.	Commission payable	0.01	0.01	13.92

The following are the details of the transactions eliminated during the year ended 31 March 2021, 31 March 2020 and 31 March 2019:

Related party name	**Nature of transactions**	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
(i) Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
Healthium OEM Private Limited				
	Purchase of license	-	-	2.75
	Dividend income	356.83	553.99	-
Mena Medical Manufacturing (FZC)				
	Sale of goods	-	14.62	46.36
	Re-imbursement of expense	-	-	0.31
	Impairment provision for doubtful intercorporate loan	-	61.00	154.03
	Impairment of investments	-	1.12	-
	Provision/(Reversal) for Doubtful Debts	(2.51)	21.86	-
	Interest income	-	-	12.63
Sironix Medical Technologies BV				
	Expenses incurred on behalf of subsidiary	-	-	2.27
	Loans given	29.25	-	166.07
	Received against repayment of loan & interest	68.19	-	-
	Impairment provision for doubtful intercorporate loan	-	-	36.25
	Interest income	27.63	33.01	43.94
Quality Needles Private Limited				
	Purchase of goods	72.76	128.64	72.90
	Sale of goods	-	6.28	-
	Employee share based payments	4.44	4.80	6.97
	Employee benefit expenses (cross charge)	-	1.33	-
	Capital expenditure (cross charge)	2.89	-	-
Clinisupplies Limited				
	Sale of goods	175.62	114.28	148.98
	Shared service income	9.14	10.60	7.13
	Purchase of goods	-	0.07	-
Sironium Medical Technologies Limited				
	Investments in equity shares during the year	-	35.57	0.45

Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advances of Healthium Medtech Limited are certain intercorporate deposits which are eliminated in restated consolidated summary statement, the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013.

Name of the loanee	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
(i) Sironix Medical Technologies BV	662.74	664.71	636.25

Unsecured, 5% rate of interest, payable by November 2025
The loan has been utilized for the purpose of settling the EMI obiligation on the HSBC loan taken to fund the CliniSupplies Limited and CliniDirect Limited acquisition.

(ii) Mena Medical Manufacturing (FZC) *	215.02	215.02	200.85

Unsecured, 8.5% rate of interest, payable by April 2020
The loan has been utilized for meeting their working capital requirements.

* The Company has made full provision towards the loan (including interest) provided to MMM. Also, application for liquidation of MMM has been filed.Refer note 30(i).

in INR million

(ii) Healthium OEM Private Limited				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Sale of goods	-	-	2.75
	Dividend paid	356.83	553.99	-
Quality Needles Private Limited				
	Dividend received	356.77	577.60	-
(iii) Quality Needles Private Limited				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Sale of goods	72.76	128.64	72.90
	Purchase of goods	-	6.28	-
	Employee share based payments	4.44	4.80	6.97
	Employee benefit expenses (cross charge)	-	1.33	-
	Capital expenditure (cross charge)	2.89	-	-
Healthium OEM Private Limited				
	Dividend paid	356.77	577.60	-
(iv) Mena Medical Manufacturing (FZC)				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Purchase of goods	-	14.62	46.36
	Re-imbursement of expense	-	-	0.31
	Interest expense	-	-	12.63
(v) Sironix Medical Technologies BV				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Expenses incurred by parent company	-	-	2.27
	Loans taken	29.25	-	166.07
	Repayment of loan & interest	68.19	-	-
	Interest expense	27.63	33.01	43.94
Clinisupplies Limited				
	Dividend received	-	8.05	18.57
(vi) Clinisupplies Limited (including Meditex Supplies Limited)				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Purchase of goods	175.62	114.28	148.98
	Shared service expense	9.14	10.60	7.13
	Sale of goods	-	0.07	-
Sironium Medical Technologies Limited				
	Reimbursement of expenses (Receivable)	-	-	0.09
	Reimbursement of expenses (Payable)	-	12.56	-
Clinidirect Limited				
	Sale of goods	1.49	1.11	1.54
	Expense incurred on behalf of fellow subsidiary	32.30	9.82	41.42
Sironix Medical Technologies BV				
	Dividend paid	-	8.05	18.57

in INR million

(vii) Clinidirect Limited				
Clinisupplies Limited				
	Purchase of goods	1.49	1.11	1.54
	Expense incurred by fellow subsidiary	32.30	9.82	41.42
(viii) Sironium Medical Technologies Limited				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Investments in equity shares during the year	-	35.57	0.45
Clinisupplies Limited				
	Reimbursement of expenses (Payable)	-	-	0.09
	Reimbursement of expenses (Receivable)	-	12.56	-

The following are the details of the balances eliminated during the year ended 31 March 2021, 31 March 2020 and 31 March 2019

Related party name	Nature of transactions	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(i) Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
Mena Medical Manufacturing (FZC)				
	Non-current loans	215.02	215.02	200.85
	Impairment provision for doubtful intercorporate loan	215.02	215.02	154.02
	Trade receivable	19.36	21.86	33.62
	Provision for Trade receivable	19.36	21.86	-
Sironix Medical Technologies BV				
	Non current loans	698.99	-	-
	Current loans	-	700.96	625.67
	Impairment provision for doubtful intercorporate loan	36.25	36.25	36.25
Quality Needles Private Limited				
	Trade payables	17.76	12.72	7.08
	Receivable towards Employee benefit expenses cross charge	-	1.33	-
	Receivable towards Employee share based payments cross charge	4.44	4.80	6.97
Clinisupplies Limited				
	Trade receivables	66.78	100.58	119.12
	Trade payables	-	0.07	-
(ii) Quality Needles Private Limited				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Trade receivables	17.76	12.72	7.08
	Payable towards Employee benefit expenses cross charge	-	1.33	-
	Payable towards Employee share based payments cross charge	4.44	4.80	6.97
(iii) Mena Medical Manufacturing (FZC)				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Non-current borrowings	215.02	215.02	200.85
	Trade payables	19.36	21.86	33.62
(iv) Sironix Medical Technologies BV				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Non current borrowings	698.99	-	-
	Current borrowings	-	700.96	625.67
(v) Clinisupplies Limited (including Meditex Supplies Limited)				
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
	Trade payables	66.78	100.58	119.12
	Trade receivables	-	0.07	-
Clinidirect Limited				
	Trade receivables	175.88	108.32	110.47
Sironium Medical Technologies Limited				
	Expense reimbursment receivable	-	-	0.09
	Trade payables	-	12.66	-

in INR million

(vi) Clinidirect Limited				
Clinisupplies Limited				
	Trade payables	175.88	108.32	110.47
(vii) Sironium Medical Technologies Limited				
Clinisupplies Limited				
	Trade Payables	-	-	0.09
	Other receivables	-	12.66	-

The following are the details of the investments eliminated during the year ended 31 March 2021, 31 March 2020 and 31 March 2019:

Related party name	**Nature of transactions**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
(i) Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)				
Healthium OEM Private Limited	Investment in equity shares	4,554.01	4,554.01	4,554.01
Mena Medical Manufacturing (FZC)	Investment in equity shares	1.12	1.12	1.12
	Impairment provision for Investment	1.12	1.12	-
Sironix Medical Technologies BV	Investment in equity shares	584.41	584.41	584.41
Sironium Medical Technologies Limited	Investment in equity shares	36.02	36.02	0.45
(ii) Healthium OEM Private Limited				
Quality Needles Private Limited	Investment in equity shares	4,500.00	4,500.00	4,500.00
(iii) Sironix Medical Technologies BV				
Clinisupplies Limited	Investment in equity shares	1,135.65	1,135.65	1,135.65
Clinidirect Limited	Investment in equity shares	506.13	506.13	506.13
	Impairment provision for investment	(219.54)	(219.54)	(219.54)

Other transactions

1. During the year ended 31 March 2019, the director Mr. Mahadevan Narayanamoni exercised 119,740 employee stock options and was allotted 119,740 equity shares of INR 2 each at an exercise price of INR 225. Refer note 11(i).
2. The Company has given Corporate guarantee on behalf of Clini group of INR 236.31 million (31 March 2020: INR 91.07 million; 31 March 2019: INR 100.49 million).
3. The Company has extended comfort letter to provide continued financial support to Clinidirect Limited (CDL) to ensure that CDL operate on going concern basis and are able to meet their debts and liabilities as they fall due.
4. The Company has provided to HSBC Bank a letter of comfort in relation to the credit facilities of INR 100 million availed by Quality Needles Private Limited (31 March 2020: INR 100 million; 31 March 2019: Nil).
5. Refer note 33(b)(viii) with respect to Guarantee provided by certain overseas subsidiaries of the Company towards initial term facility commitments of USD 115 million and total initial revolving facility commitments availed by holding company, Quinag Acquisition (FDI) Ltd.
6. Refer note 29 for investment in Peekay Mediequip Ltd.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

35. Segment Information:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Group. The Chief Executive Officer and Managing Director has been identified as the chief operating decision maker.

The Company, together with its subsidiaries, has identified a single business segment being "Medical Devices" comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology and wound care products . This being a single segment, hence no additional segment disclosure has been made for the business segment.

The Group's operations spans across the world and are categorized geographically as (a) India (b) United Kingdom and (c) Rest of the world.

Segment revenue by geographical location are as follows:*

Region	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
India	2,602.33	2,487.65	2,438.05
United Kingdom	2,415.89	2,078.99	1,757.27
Rest of the world	2,115.35	1,825.15	1,644.88
Total	**7,133.57**	**6,391.79**	**5,840.20**

* Revenues by geographic area are based on the geographical location of the customer.

No external customer individually accounted for more than 10% of the total revenue of the Group during the years ended 31 March 2021, 31 March 2020 and 31 March 2019.

Non-current operating assets by geographical locations are as follows:**

Region	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
India	1,832.02	1,833.41	1,614.82
United Kingdom	1,636.18	1,368.25	1,296.50
Rest of the world	-	22.11	22.85
Total	**3,468.20**	**3,223.77**	**2,934.17**

** Non-current operating assets includes Property, plant and equipment, Capital work in progress, Goodwill, Other intangible assets, Intangible asset under development, Right-of-use assets, Deferred tax assets, Income tax assets and Other non-financial assets.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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in INR million

36 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds investments in debt and equity instruments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and Group's deposits with Banks. The Group's borrowings in the nature of working capital loans and deposits are short term in nature with fixed rate interest and hence not exposed to significant interest rate risk. The Group's long term borrowing are with floating interest rates and a 10% increase or decrease in the floating interest component applicable to the loans and borrowings would affect the Group's net profit by INR 3.75 million for 31 March 2021, INR 3.42 million for 31 March 2020 and INR 3.27 million for 31 March 2019.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign currency forward contracts to hedge foreign currency risk. The Group does not enter into financial instrument transactions for trading or speculative purposes.

The Group's exposure to foreign currency risk is as follows :

31 March 2021

Particulars	**AED**	**Euro**	**GBP**	**USD**	**JPY**
Trade receivable	-	0.23	0.72	4.28	-
Cash and cash equivalent	-	0.01	-	2.14	-
Trade payable	-	(0.05)	-	(0.65)	(3.14)
Borrowings	-	-	-	(10.23)	-
Net assets/(liabilities)	**-**	**0.19**	**0.72**	**(4.46)**	**(3.14)**

31 March 2020

Particulars	**AED**	**Euro**	**GBP**	**USD**	**JPY**
Trade receivable	-	0.27	0.83	3.73	-
Cash and cash equivalent	0.01	-	-	0.14	-
Trade payable	-	(0.16)	-	(0.88)	(4.23)
Borrowings	-	-	-	(8.86)	-
Net assets/(liabilities)	**0.01**	**0.11**	**0.83**	**(5.87)**	**(4.23)**

31 March 2019

Particulars	**AED**	**Euro**	**GBP**	**USD**	**JPY**
Trade receivable	-	0.17	1.07	2.39	-
Cash and cash equivalent	-	0.08	0.06	0.35	-
Loans and advances	-	0.03	-	0.12	-
Borrowings	-	-	-	(8.00)	-
Trade payable	-	(0.03)	-	(0.52)	(3.97)
Net assets/(liabilities)	**-**	**0.25**	**1.13**	**(5.66)**	**(3.97)**

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Group would cause the profit before tax to decrease or increase respectively by 0.22% (31 March 2020 : by 0.61% ; 31 March 2019 : by 1.12%).

Currency wise sensitivity analysis :

31 March 2021			Increase/(decrease) in profit before tax in INR million		
Particulars	**AED**	**Euro**	**GBP**	**USD**	**JPY**
Foreign currency - 1% increase	-	0.17	0.74	(3.34)	(0.02)
Foreign currency - 1% decrease	-	(0.17)	(0.74)	3.34	0.02

31 March 2020			Increase/(decrease) in profit before tax in INR million		
Particulars	**AED**	**Euro**	**GBP**	**USD**	**JPY**
Foreign currency - 1% increase	0.00	0.09	0.76	(4.36)	(0.03)
Foreign currency - 1% decrease	(0.00)	(0.09)	(0.76)	4.36	0.03

31 March 2019			Increase/(decrease) in profit before tax in INR million		
Particulars	**AED**	**Euro**	**GBP**	**USD**	**JPY**
Foreign currency - 1% increase	-	0.19	1.02	(3.93)	(0.03)
Foreign currency - 1% decrease	-	(0.19)	(1.02)	3.93	0.03

(c) Price risk

The Group invests surplus funds in liquid mutual funds. The Group is exposed to market price risk arising from uncertainties about future values of the investment. The Group manages the equity price risk through investing surplus funds on liquid mutual funds for short term basis.

The table below summarises the impact of increase/decrease of the Net Asset Value (NAV) on the profit for the year. The analysis is based on the assumption that the NAV price would increase 5% and decrease by 5% with all variable constant.

	31 March 2021	**31 March 2020**	**31 March 2019**
	Increase/(decrease) in profit		
Price - increase by 5%	1.09	1.05	7.99
Price - decrease by 5%	(1.09)	(1.05)	(7.99)

(d) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of Latex, Latex based gloves and Stainless wires.These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles. Cost of raw materials forms the largest portion of the Group's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31 March 2021, 31 March 2020 and 31 March 2019, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

b. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Investments

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

Details of financial assets – not due, past due and impaired

None of the Group's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2021. The Group's credit period for trade receivables payable by its customers generally ranges from 30 to 120 days.

in INR million

The ageing of trade receivables is given below:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Neither past due nor impaired	657.88	437.99	538.86
Past due but not impaired			
- Less than 365 days	414.03	763.62	510.27
- More than 365 days	66.07	68.08	41.09
Less: Allowance for credit losses	(41.55)	(51.58)	(45.11)
Total	**1,096.43**	**1,218.11**	**1,045.11**

Loans and advances

Other than trade receivables and loans and advances, the Group has no significant class of financial assets that is past due but not impaired.

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Group.

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows:

	As at 31 March 2021			
	One year or less	**One to five years**	**Over five years**	**Total**
Financial assets				
Investments (current and non current)	38.67	0.02	-	38.69
Loans (current and non current)	3.63	61.63	-	65.26
Trade receivables	1,096.43	-	-	1,096.43
Cash and cash equivalents	1,088.12	-	-	1,088.12
Bank balances other than cash and cash equivalents	130.53	-	-	130.53
Other financial assets (current and non current)	88.27	65.43	-	153.70
Total	**2,445.65**	**127.08**	**-**	**2,572.73**
Financial liabilities				
Borrowings (current and non-current) *	202.24	762.98	-	965.22
Lease liabilities (current and non-current) **	72.61	222.35	169.14	464.10
Trade payables	678.79	-	-	678.79
Other financial liabilities (current and non current)	275.28	122.48	-	397.76
Total	**1,228.92**	**1,107.81**	**169.14**	**2,505.87**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.
** Includes future cash outflow towards estimated interest on lease liabilities.

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in INR million

	As at 31 March 2020			
	One year or less	**One to five years**	**Over five years**	**Total**
Financial assets				
Investments (current and non current)	36.59	0.02	-	36.61
Loans (current and non current)	3.99	64.72	-	68.71
Trade receivables	1,218.11	-	-	1,218.11
Cash and cash equivalents	317.78	-	-	317.78
Bank balances other than cash and cash equivalents	223.37	-	-	223.37
Other financial assets (current and non current)	197.87	19.87	-	217.74
Total	**1,997.71**	**84.61**	**-**	**2,082.32**
Financial liabilities				
Borrowings (current and non-current) *	392.18	421.04	-	813.22
Lease liabilities (current and non-current) **	47.24	115.46	40.64	203.34
Trade payables	647.59	-	-	647.59
Other financial liabilities (current and non current)	424.97	32.60	21.22	478.79
Total	**1,511.98**	**569.10**	**61.86**	**2,142.94**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.
** Includes future cash outflow towards estimated interest on lease liabilities

	As at 31 March 2019			
	One year or less	**One to five years**	**Over five years**	**Total**
Financial assets				
Investments (current and non current)	181.41	0.02	-	181.43
Loans (current and non current)	5.10	68.30	-	73.40
Trade receivables	1,045.11	-	-	1,045.11
Cash and cash equivalents	564.18	-	-	564.18
Bank balances other than cash and cash equivalents	162.81	-	-	162.81
Other financial assets (current and non current)	162.19	27.58	-	189.77
Total	**2,120.80**	**95.90**	**-**	**2,216.70**
Financial liabilities				
Borrowings (current and non-current) *	100.49	362.00	-	462.49
Lease liabilities (current and non-current) **	29.68	52.71	3.72	86.11
Trade payables	453.85	-	-	453.85
Other financial liabilities (current and non current)	556.29	50.74	-	607.03
Total	**1,140.31**	**465.45**	**3.72**	**1,609.48**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.
** Includes future cash outflow towards estimated interest on lease liabilities

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

in INR million

37 Capital management

For the purpose of capital management, capital includes issued equity capital, reserves such as share premium and all other equity reserves attributable to the equity holders. The primary objective is to maximise share holder value.

The Group manages the capital structure based on an adequate gearing which yields higher share holder value which is driven by the business requirements for capital expenditure and cash flow requirements for operations and plans of business expansion. Accordingly based on the relative gearing and effective operating cash flows generated, the Group manages the capital either by raising required funds through debt or equity. The current gearing of the Group is as under:

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
A. Total Equity	**5,185.47**	**4,571.88**	**5,074.07**
B. Loans and Borrowings			
Non-current borrowings	762.98	421.04	362.00
Current borrowings	202.24	319.57	100.49
Current maturities of non-current borrowings	14.33	158.38	186.01
Less: Cash and cash equivalents (limited to the extent of borrowings in 31 March 2021 and 31 March 2019)	(770.76)	(317.78)	(259.43)
Less: Current investments	(38.67)	(36.59)	(181.41)
Less: Other bank balances	(170.12)	(273.58)	(207.66)
	-	**271.04**	**-**
C. Total capital and debt (A+B)	**5,185.47**	**4,842.92**	**5,074.07**
D. Total loans and borrowings as a percentage of total capital (B/C)	**0.00%**	**5.60%**	**0.00%**
E. Total equity as a percentage of total capital (A/C)	**100.00%**	**94.40%**	**100.00%**

The Group is predominantly equity financed as evident from the capital structure table above.Further the Group has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

38 Fair value hierarchy and disclosure

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a Investments are valued at fair value through profit or loss account

	Fair value hierarchy	Schedule	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Investments					
Quoted equity shares	Level 1	6	0.11	0.11	0.11
Unquoted equity shares	Level 3	6	0.24	0.24	0.24
Mutual funds	Level 1	6	21.62	20.87	164.58
Portfolio management services	Level 3	6	16.70	15.37	16.48
Total			**38.67**	**36.59**	**181.41**

in INR million

b Financial assets carried at amortised cost*

	Fair value hierarchy	Schedule	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Unquoted Government and trust securities	Level 3	6	0.02	0.02	0.02
Trade receivables	Level 3	8	1,096.43	1,218.11	1,045.11
Loans					
- Current	Level 3	6	3.63	3.99	5.10
- Non current	Level 3	6	61.63	64.72	68.30
Bank balances other than cash and cash equivalents					
- Current	Level 3	6	130.53	223.37	162.81
Other financial assets					
- Current	Level 3	6	88.27	197.87	162.19
- Non current	Level 3	6	65.43	19.87	27.58
Total			**1,445.94**	**1,727.95**	**1,471.11**

c Financial assets carried at actual cost

	Fair value hierarchy	Schedule	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	Level 1	9	1,088.12	317.78	564.18
Total			**1,088.12**	**317.78**	**564.18**

d Financial liabilities carried at amortised cost*

	Fair value hierarchy	Schedule	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Borrowings	Level 3	14	965.22	740.61	462.49
Trade payables					
- Current	Level 3	15	678.79	647.59	453.85
Lease liabilities ^					
- Current	Level 3	5	70.26	38.88	25.17
- Non current	Level 3	5	305.95	135.57	44.13
Other financial liabilities					
- Current	Level 3	16	256.54	497.58	556.29
- Non current	Level 3	16	122.48	53.82	50.74
Total			**2,399.24**	**2,114.05**	**1,592.67**

e Financial liabilities carried at fair value through profit or loss account

	Fair value hierarchy	Schedule	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Other financial liabilities					
- Current	Level 3	16	18.74	-	-
Total			**18.74**	**-**	**-**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

39 Hedging activities and derivatives:

Derivatives not designated as hedging instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contracts are as follows:

Particulars	**As of 31 March 2021**		**As of 31 March 2020**		**As of 31 March 2019**	
	In USD million	In INR million	In USD million	In INR million	In USD million	In INR million
Forward Contracts	5.98	447.18	-	-	-	-

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, from 1 to 12 months. The table below analyses the derivative financial instruments into relevant maturity grouping based on the remaining period as at the restated consolidated summary statement of assets and liabilities date:

Particulars	**As of 31 March 2021**		**As of 31 March 2020**		**As of 31 March 2019**	
	In USD million	In INR million	In USD million	In INR million	In USD million	In INR million
Not later than 1 month	0.32	23.93	-	-	-	-
Later than 1 month and not later than 3 months	2.78	207.89	-	-		-
Later than 3 months and not later than 1 year	2.88	215.37	-	-		-

These foreign exchange forward contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

40 Transfer pricing

The Company and its subsidiaries has entered into significant domestic and international transactions with its associated enterprises within the meaning of section 92BA and 92A of the Income Tax Act, 1961 respectively. The Group is of the view that all the aforesaid transactions have been made at arms' length terms and hence, the aforesaid legislations will not have any impact on the restated consolidated summary statement of the Group.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

41 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Board of Directors of companies incorporated in India. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. Gross amount required to be spent by the Group during the year was INR 19.84 million (31 March 2020 : INR 16.35 million ; 31 March 2019 : INR 18.41 million). The expenses incurred towards CSR activities amounting to INR 20.89 million (31 March 2020 : INR 16.28 million ; 31 March 2019: INR 15.60 million) has been charged to the restated consolidated summary statement of profit and loss and is disclosed under other expenses.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	**31-03-2021**	**31-03-2020**	**31-03-2019**
a) Gross amount required to be spent by the Group during the year:			
Parent Company	8.50	7.83	11.61
QNPL (Subsidiary company)	11.34	8.52	6.80

b) Amount spent during the year ended 31 March 2021:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets			
Parent Company	-	-	-
QNPL (Subsidiary company)	-	-	-
(ii) On purposes other than (i) above			
Parent Company *	9.23	-	9.23
QNPL (Subsidiary company)	11.66	-	11.66

* Includes an amount of INR 7.56 million spent in kind

in INR million

c) Amount spent during the year ended 31 March 2020:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets			
Parent Company	-	-	-
QNPL (Subsidiary company)	-	-	-
(ii) On purposes other than (i) above			
Parent Company *	8.08	-	8.08
QNPL (Subsidiary company)	8.20	0.32	8.52

* Includes an amount of INR 7.10 million spent in kind

d) Amount spent during the year ended 31 March 2019:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets			
Parent Company	-	-	-
QNPL (Subsidiary company)	-	-	-
(ii) On purposes other than (i) above			
Parent Company *	3.00	-	3.00
QNPL (Subsidiary company)	12.60	-	12.60

* Includes an amount of Nil spent in kind

e) Excess amount spent during the year ended 31 March 2021:

The below table provides information about excess money spent by the Parent Company during the year ended 31 March 2021

Opening balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Amount available for Set off**
-	8.50	9.23	0.73

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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42 Statutory Group Information:

Additional information pursuant to para 2 of general instructions for the preparation of restated consolidated summary statement: Contribution of net assets/(liability), share of profit, share of comprehensive income in the restated consolidated summary statement.

A As at and for the year ended 31 March 2021

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	in INR million	As % of consolidated profit and loss	in INR million	As % of OCI	in INR million	As % of consolidated total comprehensive income	in INR million
Parent								
Healthium Medtech Limited	54%	8,318.86	42%	640.17	(98%)	(2.60)	42%	637.57
Indian subsidiaries								
Healthium OEM Private Limited	29%	4,537.78	23%	356.68	0%	-	23%	356.68
Quality Needles Private Limited	10%	1,524.79	36%	546.52	198%	5.25	36%	551.77
Foreign subsidiaries								
Mena Medical Manufacturing FZC	(2%)	(257.48)	(3)%	(43.71)	0%	-	(3%)	(43.71)
Sironix Medical Technologies BV	4%	638.43	(1)%	(11.70)	0%	-	(1%)	(11.70)
Sironium Medical Technologies Limited	0%	40.03	0%	(0.46)	0%	-	0%	(0.46)
Clinisupplies Limited (including Meditex)	5%	754.92	2%	22.93	0%	-	2%	22.93
Clinidirect Limited	0%	(76.37)	1%	17.94	0%	-	1%	17.94
Total	**100%**	**15,480.96**	**100%**	**1,528.37**	**100%**	**2.65**	**100%**	**1,531.02**
Adjustments arising out of consolidation		(10,295.49)		(674.09)		(11.56)		(685.65)
Total		**5,185.47**		**854.28**		**(8.91)**		**845.37**

B As at and for the year ended 31 March 2020

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	in INR million	As % of consolidated profit and loss	in INR million	As % of OCI	in INR million	As % of consolidated total comprehensive income	in INR million
Parent								
Healthium Medtech Limited	53%	7,913.07	30%	451.69	6500%	4.55	30%	456.24
Indian subsidiaries								
Healthium OEM Private Limited	31%	4,537.96	38%	576.25	0%	-	38%	576.25
Quality Needles Private Limited	9%	1,329.79	36%	537.99	(6400%)	(4.48)	35%	533.51
Foreign subsidiaries								
Mena Medical Manufacturing FZC	(1%)	(201.93)	(2%)	(34.96)	0%	-	(2%)	(34.96)
Sironix Medical Technologies BV	4%	607.06	(6%)	(97.33)	0%	-	(6%)	(97.33)
Sironium Medical Technologies Limited	0%	35.93	0%	(0.07)	0%	-	0%	(0.07)
Clinisupplies Limited (including Meditex)	5%	679.91	4%	70.15	0%	-	5%	70.15
Clinidirect Limited	(1%)	(84.33)	0%	3.64	0%	-	0%	3.64
Total	**100%**	**14,817.46**	**100%**	**1,507.36**	**100%**	**0.07**	**100%**	**1,507.43**
Adjustments arising out of consolidation		(10,245.58)		(1,139.76)		(75.35)		(1,215.11)
Total		**4,571.88**		**367.60**		**(75.28)**		**292.32**

in INR million

C As at and for the year ended 31 March 2019

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	in INR million	As % of consolidated profit and loss	in INR million	As % of OCI	in INR million	As % of consolidated total comprehensive income	in INR million
Parent								
Healthium Medtech Limited	54%	8,134.31	2170%	(233.42)	131%	(2.26)	1889%	(235.68)
Indian subsidiaries								
Healthium OEM Private Limited	30%	4,515.70	21%	(2.31)	0%	-	19%	(2.31)
Quality Needles Private Limited	10%	1,492.60	(3385%)	364.19	(31%)	0.54	(2923%)	364.73
Foreign subsidiaries								
Mena Medical Manufacturing FZC	(1%)	(157.66)	176%	(18.98)	0%	-	152%	(18.98)
Sironix Medical Technologies BV	4%	672.98	1248%	(134.27)	0%	-	1076%	(134.27)
Sironium Medical Technologies Limited	0%	0.28	2%	(0.17)	0%	-	1%	(0.17)
Clinisupplies Limited (including Meditex)	4%	608.18	(172%)	18.47	0%	-	(148%)	18.47
Clinidirect Limited	(1%)	(86.79)	40%	(4.27)	0%	-	34%	(4.27)
Total	**100%**	**15,179.60**	**100%**	**(10.76)**	**100%**	**(1.72)**	**100%**	**(12.48)**
Adjustments arising out of consolidation		(10,103.81)		149.79		43.39		193.18
Ind AS 116 transition adjustment (refer Annexure VII)		(1.72)		(1.72)		-		(1.72)
Total		**5,074.07**		**137.31**		**41.67**		**178.98**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

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(INR million)

43 Exceptional items

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
NPPA demand (Refer note 33(b)(vii))	-	(128.41)	-
Provision for expected loss from sale/liquidation of subsidiary (Note 30(i))	-	(53.57)	-
Reversal of provision/(provision) for inventory (i)	-	17.34	(135.00)
Write back/(expense) towards employees benefit (ii)	-	3.13	(166.45)
Legal and professional (ii)	-	-	(9.65)
Contract labour charges (iii)	20.21	-	(69.70)
Others (iv)	-	-	(14.10)
Total	**20.21**	**(161.51)**	**(394.90)**

(i) During the year ended 31 March 2019, the Company reviewed its inventory ageing policy and basis inventory review and physical verification had identified unfit, unusable and non-moving inventory. Pursuant to the same, the Company had provided INR 85 million towards such inventory and additionally INR 50 million is written off. During the year ended 31 March 2020, the Company had written back provision no longer required amounting to INR 17.34 million.

(ii) During the year ended 31 March 2019, Quinag Acquisition (FDI) Ltd acquired shares from TPG Growth II SF Pte. Ltd and other shareholders and became majority shareholder of the Company. Pursuant to this transaction, the Company had paid bonus to certain employees including KMPs amounting to INR 123.82 million and consultant fee INR 9.65 million. Further, the Company had recorded additional ESOP cost of INR 42.63 million on account of accelerated vesting and cash settlement of options. During the year ended 31 March 2020, the Company had reversed ESOP provision no longer required amounting to INR 3.13 million.

(iii) During the year ended 31 March 2019, the Company had accrued INR 69.70 million towards provision for minimum wages. Subsequently, during the year ended 31 March 2021, the Company has reversed INR 20.21 million towards minimum wages provision basis the settlement of liability.

(iv) During the year ended 31 March 2019, the Company had created provision towards uncollected Form C and Form F amounting to INR 14.10 million.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

44 Capitalization of expenditure

The Group uses self-constructed specialized machines for manufacture of needles. During the year, the Group has capitalized the following directly/indirectly attributable expenses which has been incurred for the construction of such machines. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

	Notes	31 March 2021	31 March 2020	31 March 2019
Property, plant and equipment				
Salaries and wages	24	11.06	32.95	22.06
Cost of raw material and components consumed	23	38.48	35.60	30.59
Power and fuel	27	0.32	1.04	0.89
Depreciation expense	25	1.62	2.54	3.51
		51.48	**72.13**	**57.05**
Capital work-in-progress				
Salaries and wages	24	9.06	-	-
Cost of raw material and components consumed	23	22.78	62.82	20.32
Power and fuel	27	0.22	-	-
Depreciation expense	25	1.12	-	-
		33.18	**62.82**	**20.32**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

45 Subsequent events

(a) The Group has entered into a business transfer agreement (BTA) on 26 May 2021 with Sri Gopal Krishna Labs Private Limited and its promoters for purchase of business undertaking as a going concern on a slump sale basis for the lump sum purchase consideration of INR 550 million on the terms and conditions set forth in BTA. The business undertaking is engaged in the business of manufacturing and selling surgical haemostatic gelatine sponge under the brand “AbGel”.

(b) On 1 July 2021, Clinisupplies Limited, a step-down subsidiary of the Company, acquired 100% of the outstanding shares of Vitalcare Trading (UK) Limited (Vitalcare) for the total consideration of up to GBP 9.25 million on the terms and conditions set forth in the share purchase agreement between Clinisupplies Limited and the erstwhile shareholders of Vitalcare. Vitalcare is in the business of manufacturing and selling urology consumables and associated accessories.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

(INR million)

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Consolidated Summary Statement.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 1 September 2021

For and on behalf of Board of Directors of
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 1 September 2021

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
CIN: U03311KA1992PLC013831
Annexure VII - Statement of Adjustments to the Restated Consolidated Summary Statement

in INR million

Part A : Statement of restatement adjustments to Consolidated financial statements

The summary of results of restatement made in the audited consoldiated financial statements for the respective year and its impact on profit of the Group is follows:-

	Note no	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Profit after tax (as per audited consolidated financial statements)		**854.28**	**367.60**	**139.03**
Restatement adjustments				
Impact of Ind AS 116	1			
(Increase)/decrease in total expenses				
Depreciation of right-of-use assets (Refer Footnotes (A))		-	-	(24.75)
Finance cost on lease liability (Refer Footnotes (B))		-	-	(4.01)
Other expenses (Refer Footnotes (C))		-	-	26.59
Restated profit before tax		**854.28**	**367.60**	**136.86**
Tax adjustments	2	-	-	0.45
Restated profit after tax		**854.28**	**367.60**	**137.31**

1. Impact of Ind AS 116 : Leases

As per para C8 of Appendix C to Ind AS 116, if a lessee elects to apply this Standard in accordance with paragraph C5(b), the lessee shall:
(a) recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.
(b) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either:
(i) its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or Ind AS 116, Leases
(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.
(c) apply Ind AS 36, Impairment of Assets, to right-of-use assets at the date of initial application, unless the lessee applies the practical expedient in paragraph C10(b).
For the purpose of preparation of Restated Consolidated Summary Statement, management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Restated Consolidated Summary Statement, Ind AS 116 has been adopted with effect from 1 April 2018 following modified retrospective method (i.e. on 1 April 2018 the Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at an amount equal to the lease liability). Impact of adoption of Ind AS 116 has been adjusted in the respective years for the purpose of restatement.

2. Accounting for taxes on income

Deferred tax has been created on temporary difference arising on recognition and measurement of right-of-use asset and lease liability.

Footnotes to Impact of Adjustments

(A) It represents depreciation on Right-of-use assets, pertaining to lease arrangements recognised pursuant to implementation of Ind AS 116. The Right-of-use assets are depreciated over the 'lease term' as defined under Ind AS 116 or economic life, whichever is lower.
(B) It represents interest element recognised on lease liabilities pursuant to implementation of Ind AS 116. Interest is measured using incremental borrowing rate.
(C) Lease rentals pertaining to lease arrangements accounted in accordance to erstwhile Ind AS 17, now reversed.

PART-B : Reconciliation of total equity as per audited consolidated financial statements with total equity as per Restated Consolidated Summary Statement as at 31 March 2019

The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on 1 April 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Summary Statement for each of the year ended 31 March 2021, 31 March 2020 and 31 March 2019. As specified in the Guidance Note, the equity balance computed under Restated Consolidated Summary Statement for the year ended 31 March 2019 and equity balance computed on transition (using modified retrospective approach) to Ind AS 116 on 1 April 2019, differs due to restatement adjustments made for the year ended 31 March 2019. Accordingly, the closing equity balance as at 31 March 2019 of the Restated Consolidated Summary Statement has not been carried forward to opening Balance sheet as at 1 April 2019. The reconciliation of the same is as follows :

Particulars	Amount
Other equity	
Retained earnings	
Restated balance as at 31 March 2019	4,981.60
Add: Adjustment on account of transition to Ind AS 116 (including corresponding deferred tax)	1.72
Balance as on 1 April 2019 as per audited financial statements for year ended 31 March 2020	4,983.32

PART-C : Non adjusting events

(a) Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated summary statement are as follows:
There are no audit qualification in auditor's report for the financial year ended 31 March 2021, 31 March 2020 and 31 March 2019.

(b) Emphasis of matters not requiring adjustments to restated consolidated summary statement

<u>For the year ended 31 March 2020</u>

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

-We draw attention to note 1(c) to the consolidated Ind AS financial statements which describes the fact that the pandemic COVID-19 would cause various economic and social disruption to the Group impacting trade receivables and carrying value of all other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the consolidated Ind AS financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of the above matter.

-We draw attention to note 1(b) to the Standalone Ind AS financial statements which describes the fact that the pandemic COVID-19 would cause various economic and social disruption to the Company impacting trade receivables and carrying value of all other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the Standalone Ind AS financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of the above matter.

Quality Needles Private Limited

We draw attention to note 40 to the Ind AS financial statements which describes the fact that the pandemic COVID-19 would cause various economic and social disruption to the Company impacting carrying value of its assets, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the Ind AS financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Our opinion is not modified in respect of the above matter.

The above matters do not require adjustment to restated consolidated summary statement.

(c) Other audit qualifications included in the Annexure to the auditor's reports issued under Companies (Auditor's Report) Order, 2003 (as amended), on the financial statements for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 which do not require any corrective adjustment in the Restated Consolidated Summary Statement are as follows:

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

<u>For the year ended 31 March 2019</u>

Clause (i) (b) of CARO 2016 Order

During the year, Property, Plant and Equipment ('PPE') have not been physically verified by management. However, subsequent to the year end 31 March 2019, the management has verified the PPE covering substantial part of PPE and noted no material discrepancies.

Clause (ii) (b) of CARO 2016 Order

The management has conducted physical verification of inventories during the year and discrepancies noted on physical verification were material and have been properly dealt with in the books of accounts. In our opinion, inventory management process relating to periodic updation of bill of material and periodical reconciliation of consumption with production needs to be strengthened. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

Clause (vii) (a) of CARO 2016 Order

The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues applicable to it. Refer Note 30(c)(vi) to the Standalone Ind AS financial statements relating to Supreme Court judgement on determination of salary components for the purpose of provident fund contribution.

Clause (vii) (b) of CARO 2016 Order

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Refer Note 30(c)(vi) to the Standalone Ind AS financial statements relating to Supreme Court judgement on determination of salary components for the purpose of provident fund contribution.

<u>For the year ended 31 March 2020</u>

Clause (ii) (b) of CARO 2016 Order

The management has conducted physical verification of certain inventories during the year and due to outbreak of COVID-19 and lock down restrictions imposed by the Government, the management has conducted physical verification of inventory subsequent to the year end covering major class of inventories. Discrepancies noted on physical verification have been properly dealt with in the books of accounts. In our opinion, inventory management process relating to the frequency and the coverage of the inventory verification, periodic updation of bill of material and periodical reconciliation of consumption with production needs to be strengthened. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

Quality Needles Private Limited

For the year ended 31 March 2019

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues have generally been regularly deposited with appropriate authorities. Refer note 29(b) to the Ind AS financial statements relating to Supreme Court judgement on determination of salary components for the purpose of provident fund contribution.

Clause (vii) (b) of CARO 2016 Order

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, duty of customs, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Refer note 29(b) to the Ind AS financial statements relating to Supreme Court judgement on determination of salary components for the purpose of provident fund contribution.

For the year ended 31 March 2020

Clause (i) (b) of CARO 2016 Order

Property, plant and equipment have not been physically verified by the management during the year, hence, we are unable to comment on the discrepancies, if any.

Clause (ii) (b) of CARO 2016 Order

Due to outbreak of COVID-19 and lock down restrictions imposed by the Government, the management has conducted physical verification of inventory subsequent to the year end and no material discrepancies were noticed on such physical verification. In our opinion, the coverage and documentation of physical verification needs to be further strengthened to make it commensurate with the size and operations of the Company.

PART-D : Regroupings

Appropriate regroupings have been made in the Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Consolidated Summary Statement financial information of the Group for the year ended 31 March 2021 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 1 September 2021

For and on behalf of Board of Directors of
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 1 September 2021

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share[1] (in ₹)	18.47	7.95	2.97
Diluted earnings per share[2] (in ₹)	18.47	7.95	2.97
EBITDA[3] (in ₹ million)	1,539.27	955.74	544.27
Net worth[4] (in ₹ million)	9,814.72	9,189.57	9,616.41
Return on net worth[5] (%)	8.70%	4.00%	1.43%
Net asset value per share[6] (in ₹)	211.68	198.75	207.98

Notes:

1. *Basic EPS amounts are calculated by dividing the restated profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year*
2. *Diluted EPS amounts are calculated by dividing the restated profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into Equity shares*
3. *Calculated as restated profit for the year plus income tax expense, plus depreciation and amortization expense, plus finance costs, less finance income*
4. *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation*
5. *Calculated as restated profit for the year divided by net worth*
6. *Calculated as Net worth divided by number of equity shares outstanding as at the year end including vested stock options*

Non-GAAP financial measures

This section of this Draft Red Herring Prospectus includes all relevant non-GAAP financial measures relating to our financial performance (together, "**Non-GAAP financial measures**" and each a "**Non-GAAP financial measure**"), as presented below. These Non-GAAP financial measures are supplementary measures of our performance or liquidity. The Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP, Ind AS or US GAAP.

Further, these Non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP or US GAAP.

In addition, these Non-GAAP financial measures are not standardised terms, hence a direct comparison of these Non-GAAP financial measures between companies may not be possible. Other companies may calculate these Non-GAAP financial measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, EBITDA, and other financial parameters such as net debt/ (net cash), return on net worth, return on capital employed, net asset value per share and debt equity ratio are given below:

Reconciliation of restated profit for the year to EBITDA and EBITDA Margin

	Fiscal		
	2021	**2020**	**2019**
	(₹ in millions, except percentage)		
Restated Profit for the year	**854.28**	**367.60**	**137.31**
Add:			
Income tax expense	276.05	211.21	105.73
Depreciation and amortization expense	353.31	315.13	265.29
Finance costs	94.87	92.17	71.87
Less:			
Finance income	39.24	30.37	35.93
EBITDA (A)	**1,539.27**	**955.74**	**544.27**
Revenue from operations (B)	**7,133.57**	**6,391.79**	**5,840.20**
EBITDA margin (in %) (C = A/B)	***21.58%***	***14.95%***	***9.32%***

Reconciliation of restated profit for the year to adjusted EBITDA and adjusted EBITDA Margin

	Fiscal		
	2021	2020	2019
	(₹ in millions, except percentage)		
Restated Profit for the year	**854.28**	**367.60**	**137.31**
Add:			
Income tax expense	276.05	211.21	105.73
Depreciation and amortization expense	353.31	315.13	265.29
Finance costs	94.87	92.17	71.87
Less:			
Finance income	39.24	30.37	35.93
EBITDA	**1,539.27**	**955.74**	**544.27**
Add:			
Employee share based payments	40.29	41.41	35.97
Claims settled under Sabka Vishwas Scheme		29.60	
Fair value loss on financial instruments at fair value through profit or loss	17.66	-	-
Less:			
Exceptional Items	20.21	(161.51)	(394.90)
Adjusted EBITDA (A)	**1,577.01**	**1,188.26**	**975.14**
Revenue from operations (B)	**7,133.57**	**6,391.79**	**5,840.20**
Adjusted EBITDA margin (in %) (C = A/B)	***22.11%***	***18.59%***	***16.70%***

Reconciliation of Net cash flows from operating activities / EBITDA (%)

	Fiscal		
	2021	2020	2019
	(₹ in millions, except percentage)		
Net cash flows from operating activities (A)	1,221.29	589.24	514.38
Restated Profit for the year	**854.28**	**367.60**	**137.31**
Add:			
Income tax expense	276.05	211.21	105.73
Depreciation and amortization expense	353.31	315.13	265.29
Finance costs	94.87	92.17	71.87
Less:			
Finance income	39.24	30.37	35.93
EBITDA (B)	**1,539.27**	**955.74**	**544.27**
Net cash flows from/ (used in) operating activities / EBITDA (%) (C= A/B)	**79.34%**	**61.65%**	**94.51%**

Reconciliation of revenue from operations to Gross Margin and Gross Margin %

	Fiscal		
	2021	2020	2019
	(₹ in millions, except percentage)		
Revenue from operations (A)	**7,133.57**	**6,391.79**	**5,840.20**
Less:			
Cost of raw material and components consumed	1,480.33	1,122.14	1,265.13
Purchase of traded goods	1,228.11	952.35	770.44
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	(21.18)	105.98	(6.46)
Gross Margin (B)	**4,446.31**	**4,211.32**	**3,811.09**
Gross Margin (in %) (C=B/A)	***62.33%***	***65.89%***	***65.26%***

Reconciliation of restated profit for the year to profit after tax margin (PAT Margin %)

	Fiscal		
	2021	2020	2019
	(₹ in millions, except percentage)		
Restated Profit for the year (A)	**854.28**	**367.60**	**137.31**
Revenue from operations (B)	**7,133.57**	**6,391.79**	**5,840.20**

	Fiscal		
	2021	**2020**	**2019**
Profit after tax margin ("PAT Margin") (in%) (C=A/B)	***11.98%***	***5.75%***	***2.35%***

Reconciliation of restated profit for the year to adjusted profit for year ("Adjusted PAT") and adjusted profit for the year margin ("adjusted PAT margin %")

	Fiscal		
	2021	**2020**	**2019**
	(₹ in millions, except percentage)		
Restated Profit for the year	**854.28**	**367.60**	**137.31**
Add:			
Income tax expense	276.05	211.21	105.73
Depreciation and amortization expense	353.31	315.13	265.29
Finance costs	94.87	92.17	71.87
Less:			
Finance income	39.24	30.37	35.93
EBITDA	**1,539.27**	**955.74**	**544.27**
Add:			
Employee share based payments	40.29	41.41	35.97
Claims settled under Sabka Vishwas Scheme	-	29.60	-
Fair value loss on financial instruments at fair value through profit or loss	17.66	-	-
Less:			
Exceptional Items	20.21	(161.51)	(394.90)
Adjusted EBITDA	**1,577.01**	**1,188.26**	**975.14**
Add:			
Finance income	39.24	30.37	35.93
Less:			
Finance costs	94.87	92.17	71.87
Depreciation and amortization expense	353.31	315.13	265.29
Income tax expense	276.05	211.21	105.73
Adjusted Profit after tax (A)	**892.02**	**600.12**	**568.18**
Revenue from operations (B)	**7,133.57**	**6,391.79**	**5,840.20**
Adjusted Profit after tax margin (in %) (C= A/B)	***12.50%***	***9.39%***	***9.73%***

Reconciliation of return on adjusted capital employed ("ROCE")

	Fiscal		
	2021	**2020**	**2019**
	(₹ in millions, except percentage)		
Restated Profit for the year	**854.28**	**367.60**	**137.31**
Add:			
Income tax expense	276.05	211.21	105.73
Depreciation and amortization expense	353.31	315.13	265.29
Finance costs	94.87	92.17	71.87
Less:			
Finance income	39.24	30.37	35.93
EBITDA	**1,539.27**	**955.74**	**544.27**
Less:			
Depreciation and amortization expense	353.31	315.13	265.29
Earnings Before Interest and Tax (A)	**1,185.96**	**640.61**	**278.98**
Total Assets	**7,917.77**	**7,103.08**	**6,833.42**
Less:			
Current liabilities	1,532.65	1,893.76	1,284.48
Capital Employed	**6,385.12**	**5,209.32**	**5,548.94**
Goodwill	1,224.92	1,224.92	1,224.92
Adjusted Capital Employed (B)	**5,160.20**	**3,984.40**	**4,324.02**
Return on adjusted capital employed ("ROCE") (in %) (C = A/B)	***22.98%***	***16.08%***	***6.45%***

Reconciliation of return on equity ("ROE")

	Fiscal		
	2021	2020	2019
	(₹ in millions, except percentage)		
Restated Profit for the year (A)	**854.28**	**367.60**	**137.31**
Total Equity	**5,185.47**	**4,571.88**	**5,074.07**
Goodwill	1,224.92	1,224.92	1,224.92
Adjusted Total Equity (B)	**3,960.55**	**3,346.96**	**3,849.15**
Return on Equity ("ROE") (in %) (C = A/B)	***21.57%***	***10.98%***	***3.57%***

Reconciliation of CAGR (revenue from operations, EBITDA and restated profit for the year)

	CAGR
	(%)
Revenue from operations[1]	10.52%
EBITDA[2]	68.17%
Restated profit for the year[3]	149.43%

1. *CAGR relating to revenue from operations is calculated in the following manner: (Revenue from operations in Fiscal 2021/ Revenue from operations in Fiscal 2019) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']. Revenue from operations in Fiscals 2021 and 2019 was Rs. 7,133.57 million and Rs. 5,840.20 million, respectively.*
2. *CAGR relating to EBITDA is calculated in the following manner: (EBITDA in Fiscal 2021/ EBITDA in Fiscal 2019) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']. EBITDA in Fiscals 2021 and 2019 was Rs. 1,539.27 million and Rs. 544.27 million, respectively.*
3. *CAGR relating to restated profit for the year is calculated in the following manner: (Restated profit for the year in Fiscal 2021/ Restated profit for the year in Fiscal 2019) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']. Restated profit for the year in Fiscals 2021 and 2019 was Rs. 854.28 million and Rs. 137.31 million, respectively.*

Reconciliation of CAGR (revenue from India, UK and rest of the world geographical segments (as per Ind AS 108))

	CAGR
	(%)
Revenue from India geographical segment (as per Ind AS 108)[1]	3.31%
Revenue from UK geographical segment (as per Ind AS 108)[2]	17.25%
Revenues from rest of the world geographical segment (as per Ind AS 108)[3]	13.40%

1. *CAGR relating to revenue from India geographical segment (as per Ind AS) is calculated in the following manner: (Revenue from India geographical segment (as per Ind AS 108) in Fiscal 2021/ Revenue from India geographical segment (as per Ind AS 108) in Fiscal 2019) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']. Revenue from India geographical segment (as per Ind AS 108) in Fiscals 2021 and 2019 was Rs. 2,602.33 million and Rs. 2,438.05 million, respectively.*
2. *CAGR relating to revenue from UK geographical segment (as per Ind AS 108) is calculated in the following manner: (Revenue from UK geographical segment (as per Ind AS 108) in Fiscal 2021/Revenue from UK geographical segment (as per Ind AS 108) in Fiscal 2019) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']. Revenue from UK geographical segment (as per Ind AS 108) in Fiscals 2021 and 2019 was Rs. 2,415.89 million and Rs. 1,757.27 million, respectively.*
3. *CAGR relating to revenue from rest of the world geographical segment (as per Ind AS 108) is calculated in the following manner: (Revenue from rest of the world geographical segment (as per Ind AS 108) in Fiscal 2021/ Revenue from rest of the world geographical segment (as per Ind AS 108) in Fiscal 2019) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']. Revenue from rest of the world geographical segment (as per Ind AS 108) in Fiscals 2021 and 2019 was Rs. 2,115.35 million and Rs. 1,644.88 million, respectively*

In accordance with the SEBI ICDR Regulations, the audited financial information of our Company and our Material Subsidiaries for Financial Years 2019, 2020 and 2021 ("**Audited Financial Statements**") are available on our website at https://www.healthiummedtech.com/investorrelations/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements, and the reports thereon, do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements, and the reports thereon, should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for FY 2021, 2020 and 2019, read with SEBI ICDR Regulations, and as reported in the Restated Financial Information, see "*Financial Statements – Annexure VI – Notes to Restated Consolidated Summary Statement – Note 34*" beginning on page 263.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2021, derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 291, 207, and 24, respectively.

(₹ in million, except percentage)

Particulars	Pre-Offer (as at March 31, 2021)	Post Offer
Debt		
Current borrowings (A)	202.24	[●]
Non-current borrowings (including current maturities of long term borrowings) (B)	777.31	[●]
Total borrowings (C=A+B)	**979.55**	[●]
Equity		
Equity share capital (D)	92.56	[●]
Other equity (E)	5,092.91	[●]
Total Equity (F= D+E)	**5,185.47**	[●]
Total non-current borrowings (including current maturities of long term borrowings) /Total equity (B/F)	**14.99%**	[●]
Total borrowings/equity (C/F)	**18.89%**	[●]

Notes:

i. The corresponding Post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement;

The above statement does not include lease liability as per Ind AS 116 disclosed under other financial liability in the Restated Financial Information

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Financial Information as of and for Fiscals ended March 31, 2019, 2020 and 2021, including the related annexures. We acquired AbGel, VitalCare and CareNow on July 31, 2021, July 1, 2021 and August 31, 2021, respectively (collectively, the "**Acquisitions**") and we have included proforma financial consolidated balance sheet as at March 31, 2021 to illustrate the impact of the Acquisitions as if the Acquisitions occurred as of March 31, 2021. We have also included proforma consolidated statement of profit and loss for the year ended March 31, 2021 to illustrate the impact of the Acquisitions as if the Acquisitions occurred on April 1, 2020 under "Proforma Consolidated Financial Information" on page 320. For further details, see "Proforma Consolidated Financial Information" and "History and Certain Corporate Matters" on pages 320 and 173, respectively, and for details in relation to the risks related to the Proforma Consolidated Financial Information, see "Risk Factors – The Proforma Consolidated Financial Information included in this Draft Red Herring Prospectus may not accurately reflect our future financial condition, results of operations, cash flows and business" on page 40..*

In this section, unless the context otherwise requires, references to "Clinisupplies" includes Clinisupplies and Clinidirect and references to "VitalCare" includes VitalCare, on a consolidated basis.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals ended March 31, 2019, 2020 and 2021, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 207.

Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 23 and 24, respectively.

Overview

We are a global medtech company focused on products used in surgical, post-surgical and chronic care. Our vision is to deliver access to precision medtech products to every patient globally.

We operate across three key markets, namely, India, UK and rest of the world and four focus areas, namely, advanced surgery, urology, arthroscopy and wound care. One in five surgeries conducted globally uses a Healthium product as of March 31, 2021 (*Source: Frost & Sullivan Report*). Further, as of Fiscal 2021, we are:

- the largest independent medical device company and second-largest company overall, in the surgical consumables market in India with a 7.91% share based on value;
- the largest non-captive surgical needles manufacturer, with a 22.30% share in overall volume sales globally, and 45.41% share of the non-captive market; and
- one of the largest independent medical device companies and the third-largest company overall in the urology collection devices market in the UK, with a 13.96% market share.

(*Source: Frost & Sullivan Report*)

We have gained market share across our markets and focus areas between Fiscals 2019 and 2021, while improving profitability over this period. (*Source: Frost & Sullivan Report*)

We have a comprehensive product platform in our focus areas with over 52,000 SKUs addressing the varied needs of our customers and patients. Our portfolio includes:

- Surgical consumables:
    - Advanced surgery: wide range of surgical consumables including sutures, surgical needles, hemostats, staplers, surgical gloves and infection prevention products;
    - Wound care: range of tubular and support bandages. We have recently expanded our presence in this focus area through the acquisition of CareNow.
- Urology: wide range of products for managing incontinence, including indwelling and intermittent catheters, collection devices and a variety of supporting products; and
- Arthroscopy: range of implants and equipment for knee and shoulder arthroscopy procedures.

Please refer to *"-Description of our Business and Operations – Our Products"* and *"-CareNow"* on pages 150 and 165, respectively, for a detailed description of our product portfolio and our products acquired through our recent acquisition of CareNow.

We manage our business across three key markets, namely, India, UK and the rest of the world:

- *India:* We have extensive commercial presence and market access in India. As on March 31, 2021, we have the largest direct sales force among independent medical device companies in India. *(Source: Frost & Sullivan Report)* We have over 350 employees in our direct sales force as of July 31, 2021. As of March 31, 2021, our sales force covers over 40,000 surgeons across over 18,000 hospitals across India representing 40% of surgeons and 52% of hospitals in India. *(Source: Frost & Sullivan Report)* Our sales network reaches 90% of all districts in India which have secondary healthcare facilities, which were 523 as of 2020. *(Source: Frost & Sullivan Report)*

- *UK:* We have extensive commercial presence and market access in the UK. As on July 31, 2021, we have a direct sales force of 27 employees, supported by a team of 13 nurses to increase patient adoption of our products. Our contracts with NHS and listing on the UK Drug Tariff gives us access to hospitals and community care trusts. We also have the ability to deliver supplies directly to patients through our dispensing appliance contractor license ("**DAC license**").

- *Rest of the world:* We export our range of products to over 80 countries, including developed markets such as the US, UK, Germany and France, and developing markets in South America, Asia and Africa. We sell majority of our products under our brands. We have long-standing relationships with several marquee customers and distributors in these markets.

We compete primarily against large multinational corporations and various local players in each of our key markets and focus areas. We offer a comprehensive portfolio of quality products at compelling value and we believe this differentiates us from our competitors. Our quality and value proposition align us with the focus of healthcare stakeholders such as governments, hospitals, payers and surgeons on improving affordability of, and access to, quality healthcare. Further, we believe that our well-established corporate and product brands, and relationships with hospitals, surgeons and distributors create competitive advantages for our business.

The demand for our products is based on the volume of inpatient treatment and surgical procedures. The global market for products in our focus areas is expected to grow at a CAGR of 4.99% between 2021 and 2025 and estimated to be USD 28.75 billion in 2025. *(Source: Frost & Sullivan Report)* According to Frost & Sullivan, the key drivers for this growth are the aging population and increased incidence of lifestyle diseases across the world, and improving access to healthcare in developing markets. In particular, the market for surgical consumables and arthroscopy products in India is estimated to be USD 455.84 million in 2021 and estimated to grow at a CAGR of 9.60% between 2021 and 2025, driven by surgical volumes growing at 9.83% over this period. (*Source: Frost & Sullivan Report*) According to Frost & Sullivan, this growth is likely to be driven by improving access to surgical procedures in India, where the per-capita surgery rate is less than half of that in other similar developing markets (2,000 surgeries per 100,000 people compared to 4,500 surgeries per 100,000 people for other similar developing markets). This improved access to surgical procedures in India is expected to be enabled by increasing government and private sector spending on healthcare and development of healthcare infrastructure. (*Source: Frost & Sullivan Report*).

We look to expand our product portfolio by introducing new products in our focus areas and in adjacent areas. Since Fiscal 2018, we have sold 30 new products, which, according to Frost & Sullivan, have increased our total addressable market in India by USD 74 million as of Fiscal 2021. Our new product launches include a patented portfolio of arthroscopy products, mechanical staplers for endoscopic surgeries, and anti-microbial gloves. We also have a strong pipeline of 15 products at various stages of development across our focus areas. In addition, we have acquired businesses and products to expand our product portfolio. Our acquisition of Quality Needles, Clinisupplies, VitalCare, AbGel and CareNow have enabled us to add a variety of products to our portfolio and further deepen our customer relationships.

We have obtained a number of patents for our proprietary products. As of July 31, 2021, we have 21 patents in India and 11 patents in the United States, and a further 22 and six patent applications pending approval in India and US, respectively. Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, US and Europe and one patent application pending for approval in India.

We have eight manufacturing facilities of which seven are located in India and one is located in China. We have a strong focus on quality, and several of our facilities have different global accreditations and registrations, including with US FDA, TGA and ISO. In particular, we were the first Indian Class III medical device company to receive US FDA registration for one of our manufacturing facilities. *(Source: Frost & Sullivan Report)* Further, we are the only company in India with a CE-certified surgical needles manufacturing facility as on March 31, 2021. *(Source: Frost & Sullivan Report)* Our manufacturing facilities employ technology that we have largely developed in-house to ensure high quality and to allow for extensive customization of our products to meet our customers' diverse needs. For further details, please see *"- Description of our Business and Operations – Manufacturing Facilities"* on page 154.

We have demonstrated strong financial performance with accelerated growth, an increase in our revenue from operations, restated profit before tax and restated profit for the year and improved margins. Our revenue from operations grew at a CAGR of 10.52% between Fiscals 2019 and 2021. We continued our growth journey in Fiscal 2021, and we were able to increase our revenue from operations and EBITDA by 11.61% and 61.06%, between Fiscal 2020 and Fiscal 2021, respectively, despite the negative effects of the COVID-19 pandemic on the overall economy, and particularly on surgical volumes.

Some of our key financial and non-financial benchmarks in the last three Fiscals are as follows:

	Fiscal ending March 31,		
	2019	***2020***	***2021***
Revenue from operations (₹ million)	5,840.20	6,391.79	7,133.57
Restated profit before tax (₹ million)	243.04	578.81	1,130.33
Restated profit for the year (₹ million)	137.31	367.60	854.28
Gross margin[1] (%)	65.26%	65.89%	62.33%
EBITDA[2] (₹)	544.27	955.74	1,539.27
EBITDA margin[3] (%)	9.32%	14.95%	21.58%
ROE[4] (%)	3.57%	10.98%	21.57%
ROCE[5] (%)	6.45%	16.08%	22.98%
Cash conversion cycle (in days)[6]	219	171	139
Net cash flow from operating activities (₹ million)	514.38	589.24	1,221.29
Net cash flows from/ (used in) operating activities / EBITDA (%)	94.51%	61.65%	79.34%

1. *Gross margin is calculated as revenue from operations less cost of raw material and components consumed, less purchase of traded goods, less (increase)/decrease in inventories of finished goods, work-in-progress and traded goods divided by Revenue from operations.*
2. *EBITDA is calculated as Restated profit for the year plus income tax expense, plus depreciation and amortization expense, plus finance costs, less finance income.*
3. *EBITDA margin is calculated as EBITDA / revenue from operations.*
4. *RoE is calculated as Restated Profit for the year / adjusted total equity (total equity less goodwill).*
5. *RoCE is calculated as EBIT (EBITDA less depreciation and amortization expense) divided by adjusted capital employed (total assets less goodwill less current liabilities).*
6. *Cash conversion cycle is days sales outstanding plus inventory days on hand less days payable outstanding.*

Our overall growth and financial performance are driven by our management team that has extensive experience in the healthcare industry globally. Our Board is comprised of Directors with substantial experience in managing, advising and investing in healthcare companies.

Significant Factors Affecting our Results of Operations

A number of important factors, including the following affect our results of operations and financial condition:

Regulatory environment

Our products, as well as our business activities, are subject to a complex and stringent set of regulations and rigorous enforcement in India and in other jurisdictions in which we manufacture, distribute and sell our products. To varying degrees, agencies in each of these jurisdictions require us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our products. These regulatory requirements may impact our profitability due to the costs of compliance with these requirements as well by regulating the prices at which we may sell our products in our target markets.

In India, the manufacture and sale of our products are regulated by various legislations including the Medical Devices Rules, 2017 and the Drugs and Cosmetics Act, 1940. Further, in India, some of our products are covered under the Drug Price Control Order, which prescribes a cap on price increase of certain products. In the UK, the manufacture and sale of our products are regulated by MHRA and the UK Drug Tariff prescribed by NHS Business Services Authority. Our contracts with NHS and listing on the UK Drug Tariff gives us access to hospitals and community care trusts who procure and pay for our products in accordance with these contracts. Globally, our products are required to adhere to the regulatory requirements of each country to which we export our products.

In the United States, the U.S. FDA must either clear or approve our products or grant an exemption from such clearance or approval before such products can be commercially marketed in the U.S. In the EU, our products must be CE certified and EU MDD compliant before they can be commercially marketed. Our licenses are issued prior to May 2021 and are valid until 2024, post which we are required to be EU MDR compliant. Several other countries such as Australia, Egypt and Tanzania, rely on CE certification for marketing authorizations. We may also be subject to laws of certain other jurisdictions where we propose to manufacture and sell our products in the future as part of our growth strategy.

Our operations sometimes involve the use of substances that are regulated under environmental laws, and accordingly, we are subject to laws and regulations such as Factories Act, 1948, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. We are also subject to environmental, health and safety laws in other jurisdictions where we operate. For further details, see "*Key Regulations and Policies*" on page 167. We have incurred, and expect to continue to incur, costs for compliance with such laws and regulations.

Additionally, both before and after a product's commercial release, we have ongoing responsibilities under various regulations in different geographies. For instance, our Bengaluru Unit I, Nanjing Facility and Coimbatore Facility registered with the U.S. FDA. and certain suppliers are subject to periodic inspections by the U.S. FDA to determine compliance with applicable regulations. The results of these inspections can include inspectional observations on the U.S. FDA's Form-483, warning letters, or other forms of enforcement. For further details, see *"Risk Factors – We are subject to complex laws and governmental regulations governing our products and our business operations, compliance with these laws and regulations requires significant time and cost, and any adverse regulatory action may adversely affect our financial condition and business operations*" on page 24. These ongoing responsibilities may have an impact on our product launches as well as revenues from our existing and new products. We may also incur costs to comply with governmental requirements, including to address inspection observations, and such costs could be material.

Regulations regarding the development, manufacture and sale of our products are constantly evolving and subject to possible future change. If there is any change in the laws and regulations or if the regulatory agencies reassess the quality and efficacy of our products based on new scientific knowledge or other factors at any time, we may have to incur significant capital expenditure to ensure compliance with the new government policies. For instance, with the introduction of EU MDR by the EU in 2021, we commenced clinical trials of our products in India in Fiscal 2020. Our licenses are issued prior to May 2021 and are valid until 2024, post which we are required to be EU MDR compliant. We expect that this regulatory change will drive consolidation of market share in the industry as smaller players may be unable to satisfy the stringent EU MDR licensing requirements. We also expect to incur additional costs to comply with such changing requirements.

Product innovation and commercialization

We place a strong focus on research and development, aimed at further expanding our product portfolio in our focus areas and adjacent areas. Accordingly, the nature of our research and development expenses and our ability to successfully launch products currently under development may have a material impact on our results of operations in a particular financial year. For further details, see *"Risk Factors –We are dependent on the success of our research and development and the failure to develop new or improved products or process improvements or product techniques could subject us to write-offs or otherwise adversely affect our business, financial condition, cash flows and results of operations and have a negative impact on our competitive position."* on page 28.

We have over 52,000 SKUs across different products, which enable us to cater to a wide variety of procedures and applications. Please refer to *"Our Business-Description of our Business and Operations – Our Products"* and *"Our Business - CareNow"* on pages 150 and 165, respectively, for a detailed description of our product portfolio.

As on July 31, 2021, we have 21 patents in India and 11 patents in the United States, and a further 22 and six patent applications pending approval in India and US, respectively. Through our recent acquisition of CareNow, we have acquired an additional portfolio of one patent each in India, US and Europe and one patent application pending for approval in India.

The development of new products and enhancement of existing products requires significant investment at the following stages:

- Product development including conceptualization, engagement with key opinion leaders, research and development, clinical trials and testing by commercial quality and clinical affairs teams;

- Product approval by various regulatory authorities, including expenditure towards ongoing responsibilities under various government agency regulations in different geographies, both before and after a product's commercial release;

- Filing and licensing of intellectual property rights in various jurisdictions to safeguard our rights or to obtain licenses over products for manufacture. For instance, our Company jointly developed arthroscopy products with Dr. Hemant Kumar Alladu, a key opinion leader in the arthroscopy area. We entered into an intellectual property assignment agreement effective from April 1, 2020 pursuant to which the Company has exclusive license over certain patent and intellectual property rights relating to these jointly developed arthroscopy products for a fixed yearly consideration in addition to a variable consideration payable on occurrence of certain events. Dr. Hemant Kumar Alladu has the duty to absolutely and perpetually assign the full title guarantee, right and interest in the intellectual property rights upon receipt of the assignment consideration as specified under the agreement. For further details of the agreement, see "*History and Certain Corporate Matters – Summary of Key Agreements – Key terms of other subsisting material agreements*" on page 177;

- Setting up and upgrading manufacturing capabilities. For instance, we aim to invest ₹ 267.92 million from our Net Proceeds in our Subsidiary, Quality Needles to fund the purchase of capital equipment in order to meet its technological requirements. For further details, see "*Objects of the Offer*" on page 86;

- Product launch and acceptance, including marketing expenses and sales commissions to distributors and sales teams; and

- Iteration of products over time to address a wider array of customer segments.

We incurred ₹ 96.65 million, ₹ 199.47 million and ₹ 146.51 million on research and development representing 1.65%, 3.12% and 2.05%, of our revenue from operations in Fiscals 2019, 2020 and 2021, respectively.

The results of our product development efforts and effective commercialization of our products may be affected by a number of factors, including our ability to anticipate customer needs, innovate and develop new products, complete clinical trials and successfully achieve required outcomes, obtain regulatory approvals, anticipate changes in the regulatory environment, manufacture products in a cost-effective manner, obtain appropriate intellectual property protection for our products and gain and maintain marketing approval of our products.

Sales network and market access

We manage our business across three key markets, namely, India, UK and the rest of the world. The manner in which we sell our products in different markets varies and this may impact our profitability, depending in part on the channel mix and whether we use dedicated sales teams or third party distributors. Each of our key markets are described below:

India

As on July 31, 2021, our sales force comprises of over 350 employees. In addition, we have over 1,200 stockists and over 25 fulfilment centers in India as on March 31, 2021. We depend on our sales force to sell our products to surgeons and hospitals in India. Our ability to improve our sales and introduce new products in India depends on our ability to suitably attract, retain and train our sales force. We aim to expand our sales force to increase our hospital coverage over the next few years. Further, as we expand our portfolio through research and development initiatives and acquisitions, we intend to focus our sales efforts to drive sales of our broader portfolio to hospitals in India.

We incur expenses to incentivize our distribution network and store our products and in Fiscals 2019, 2020 and 2021, we paid ₹ 138.26 million, ₹ 106.80 million and ₹ 66.61 million as sales commission primarily to our channel partners towards trade and tender sales made in India, respectively. The decrease in sales commission over Fiscals 2019 to 2021 was primarily due to the shift in the channel mix and higher direct trade sales. We aim to deepen our reach and expand our presence in India and accordingly, we may have to incur additional costs for such expansion.

UK

As on July 31, 2021, we have a direct sales force of 27 employees, supported by a clinical nurse team of 13 employees to increase patient adoption of our new products. Our contracts with NHS and listing on the UK Drug Tariff gives us access to hospitals and community care trusts. We also have the ability to deliver supplies directly to patients through our dispensing appliance contractor license.

We will continue to invest to expand our sales force and nurse team to onboard new customers. Further, we intend to expand our presence in the surgical consumables and wound care market in UK by leveraging our relationships with the NHS, hospitals and other stakeholders.

Rest of the world

We export our range of products to over 80 countries including developed markets such as the US, UK, Germany and France and developing markets in South America, Asia and Africa. In developed markets, we primarily sell our products under our own brand and manufacture under private labels for select customers. In developing markets, we primarily sell our products under our own brand through partnerships with distributors. We also have a direct sales presence in select countries in the Asia Pacific region such as Australia, Malaysia, Bangladesh and Nepal. We intend to further grow and expand our business in international markets by establishing focused sales teams in certain geographies and expanding our relationship with customers and distributors. For further details, see *"Our Business – Our Strategies – Deepen and expand our geographical presence"* on page 148. Our ability to manage and expand our presence across geographies may impact our future financial performance.

We incur significant freight and forwarding charges. In addition, we are entitled to certain export incentives in the form of

Merchandise Export from India Scheme and our revenue from export incentives was ₹ 62.31 million, ₹ 121.36 million and ₹ 64.92 million for Fiscals 2019, 2020 and 2021, respectively. For disclosure of special tax benefits available to our Company, its shareholders and material subsidiaries, see "*Statement of Special Tax Benefits*" on page 97. The Merchandise Export from India Scheme was superseded by the Remission of Duties and Taxes on Exported Products Scheme, 2021 ("**RoDTEP Scheme**") with effect from January 1, 2021. Pursuant to the RoDTEP Scheme, all taxes and duties incurred by exporters that are not exempted or refunded under any other existing scheme, will be reimbursed. For further details in relation to risks related to exports, see *"Risk Factors - Export destination countries may impose varying duties on our products. Any increase in such duties may adversely affect our business and results of operations*" on page 35.

Our recent acquisitions and our expansion plans

We have over time executed a number of acquisitions, and have demonstrated that we can successfully integrate and grow the acquired businesses. For example, we acquired (i) Clinisupplies in Fiscal 2016 to expand and diversify our geographical reach as well as expand our product portfolio by gaining a presence in the urology market; and (ii) Quality Needles in Fiscal 2017 to drive vertical integration for our advanced surgery portfolio, and grow our market share in the surgical needles segment globally. We have been able to expand the market share of both these businesses since the acquisitions. For further details, see *"Business – Strengths – We have a proven track record of driving inorganic growth and successfully integrating acquired businesses*" on page 147.

Further, in Fiscal 2022, we acquired (i) VitalCare in the UK to strengthen our manufacturing and product development capabilities for our urology portfolio; (ii) AbGel, a gelatin sponge brand used in surgery, to widen the product portfolio we offer to our customers; and (iii) CareNow to strengthen our wound care portfolio with patented advanced wound care products. These acquisitions individually or in the aggregate have a significant impact on our results of our operations. For further details in relation to the acquisitions, see "*History and Certain Corporate Matters*", *"Our Business-CareNow"* and *"Proforma Consolidated Financial Information"* on pages 173, 165 and 320, respectively.

We aim to continue to leverage our global network and add new products and specialties, acquire new technologies and expand our presence in these markets through acquisitions, in order to drive profitable growth. However, acquiring new businesses require significant efforts resulting in additional expenses and requiring significant management time. For instance:

- Pre- acquisition:
  - We have incurred significant costs for identifying suitable opportunities for acquisition and executing an effective due diligence process on the potential targets;
  - We had availed (i) a loan of ₹ 374.80 million from Standard Chartered Investments and Loans (India) Limited for funding the acquisition of AbGel; (ii) a loan of ₹ 125.20 million from Hongkong and Shanghai Banking Corporation Limited for funding the acquisition of asset from SGK Private Limited. Further, one of our Subsidiaries, Clinisupplies had availed a loan from our Promoter for a total commitment of USD 29.00 million for acquiring VitalCare. As on August 23, 2021, the outstanding amount under the Clinisupplies Loan was GBP 8.04 million, or ₹ 836.23 million*;

    ** For the foreign exchange conversion from GBP to INR, FEDAI rate, as of July 30, 2021, has been considered.*

  - We incurred costs to remediate or address predecessor liabilities and incidences of contractual or regulatory non-compliance.
- Post- acquisition:
  - We have incurred significant costs for:
    - integrating and operating acquired businesses including coordination of information technologies, sales and marketing, integration of supply chain, employees and manufacturing processes;
    - Protecting intellectual property;
    - Funding acquired in-process research and development projects;
  - We intend to repay the debt availed for funding the acquisitions. For further details in relation to debt repayment, see *"Objects of the Offer"* on page 86.
  - The acquisitions of Quality Needles, Clinisupplies, VitalCare, AbGel and CareNow have enabled us to add a variety of products to our portfolio and expand the mix of our products. Expanding our product portfolio can have an impact on our revenue and profitability.
  - The addition of VitalCare in Fiscal 2022 has provided us with end-to-end control over our supply chain and may impact our profitability. For Fiscals 2019, 2020 and 2021, our purchase of traded goods was ₹ 770.44 million, ₹ 952.35 million and ₹ 1,228.11 million, respectively, and this was primarily attributable to an increase in purchase of urology products (including from VitalCare).

- The acquisitions of AbGel, VitalCare and CareNow in Fiscal 2022 will have an impact on goodwill and other intangible assets and we will incur expenses as we amortize intangible assets over their estimated useful life.

Raw material expenses

Our cost of raw material and components consumed constitutes a significant component of our cost structure. Our cost of raw material and components consumed are generally impacted by manufacturing volumes, mix of products, the prices paid for raw materials, manufacturing efficiency and cost control measures such as systems and purchasing programs pertaining to sourcing and logistics. For Fiscals 2019, 2020 and 2021, our cost of raw material and components consumed was ₹ 1,265.13 million, ₹ 1,122.14 million and ₹ 1,480.33 million, constituting 21.48%, 17.20% and 20.37% of our total income, respectively. As we continue to grow our operations, we would need to procure additional volumes of raw materials.

We typically enter into supply contracts with our vendors for the supply of our raw materials. We are dependent on two key suppliers in South Korea for one of our raw materials, suture threads. We typically purchase our raw materials at market prices. The price of our raw materials may fluctuate significantly over short periods of time due to factors beyond our control, including, among others, supply and demand, freight and logistics costs, foreign currency fluctuations, trade disputes between governments of key producing and consuming countries and government regulation. We sell our products through contracts with customers and distributors in India, UK and the rest of the world. We also sell through purchase orders as per demands of our customers and distributors from time to time. To the extent that we sell through purchase orders, we are able to pass increased costs to buyers gradually overtime. However, there have been in the past, and may be in the future, periods during which we cannot pass raw material price increases on to customers due to competitive pressure. To the extent we cannot pass on some or all of any increases in the price of raw materials to our customers, any such increases could have an adverse effect on revenue and results of operations.

Employee benefit expenses

Employee benefits expenses, which includes salaries, wages and bonuses, contributions to provident and other funds and employee share based payments, among others, also constitute a significant portion of our cost structure. For Fiscals 2019, 2020 and 2021, our employee benefit expenses were ₹ 1,484.92 million, ₹ 1,670.46 million and ₹ 1,698.32 million, constituting 25.21%, 26.61% and 23.37% of our revenue from operations, respectively. We believe that we have sufficient human resources to sustain our current operations and planned growth and seek to improve our operational efficiency by utilizing technology. Further, as a significant portion of workforce is located in India, rising wages in India may have an impact on our expenses as well.

Over the last three years we have made focused investments in people and systems to drive operational improvements, resulting in better performance as well as improved cash position. This improvement was driven by investments which are non-recurring in nature and we will continue to see their benefit in the following years through better inventory management and optimized costs.

Manufacturing Capacity and Utilization

Our results of operations are directly affected by our sales volume, which in turn is a function of several factors, including our manufacturing capacity and market demand. The growth in our revenue from operations between Fiscals 2019 and 2021 has resulted in us having to increase our manufacturing volumes at our manufacturing facilities. We have eight manufacturing facilities of which seven are located in India and one is located in China. For further details in relation to our historic capacity and utilization, see *"Our Business- Description of our Business and Operations – Capacity and Capacity Utilization" and "Our Business – CareNow-Manufacturing Facility"* on pages 155 and 165, respectively. We will continue to seek opportunities to increase our manufacturing capacities by enhancing the overall effectiveness of our facilities and overall utilization of all our assets. We aim to invest ₹ 267.92 million from our Net Proceeds in our Subsidiary, Quality Needles to fund the purchase of capital equipment in order to meet its technological requirements. For further details, see "*Objects of the Offer*" on page 86.

Foreign currency fluctuations

We present our financial statements in Indian rupees. However, as a result of our substantial international operations, a substantial portion of our business transactions is denominated in foreign currencies. Our revenue from the UK and the rest of the world geographical segments, as per Ind AS 108, collectively constituted 58.25%, 61.08% and 63.52% of our revenue from operations for Fiscals 2019, 2020 and 2021, respectively. Further, we source our raw material from suppliers in India and other countries such as U.S., Brazil, Mexico, Germany, Spain, Italy, South Korea, Japan, France, Malaysia, Indonesia, China and UK. The exchange rate between Indian Rupee and foreign currencies, primarily USD, Euro, GBP, JPY and AED has fluctuated in the past and such fluctuations have impacted our results of operations. We follow established risk management policies. We use derivative financial instruments, such as forward currency contracts to hedge our foreign currency risks. However, any amounts we spend in order to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. We do not enter into financial instrument transactions for trading or speculative purposes. Our Company and one of its subsidiaries, Quality Needles have adopted a foreign exchange risk management policy dated September 14, 2020 for, among other things, assessing and managing currency risk arising on account of currency mismatches and managing foreign currency loan principal and interest rate risks in order to minimize risk of higher financial costs.

Competition

The medical technology industry is a highly competitive industry. We compete against large multinational corporations and various local players in each of our key markets. We compete on the basis of several factors, including quality of products, innovation, value, availability, brand reputation and convenience. Competition may increase as additional companies enter our markets or modify their existing products to compete directly with ours. Product introductions or enhancements by competitors which have more advanced technology, better features or lower pricing may make our products, or the products we have in development, obsolete or less competitive. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

Impact of COVID-19 pandemic

The continuing global spread of COVID-19, including corresponding preventative and precautionary measures that we and other businesses, communities and governments are taking to mitigate the spread of the disease, has led to unprecedented restrictions on, disruptions in, and other related impacts on business and personal activities. Further, in addition to travel restrictions put in place in early 2020, countries, states and governments may continue to close borders, impose prolonged quarantines, lock-downs or other restrictions and requirements on travel, and further limit our ability to manufacture our products and conduct business in-person as we did prior to COVID-19. In addition, spread of COVID-19 may result in increased hospitalization and reduction in the volume of surgical procedures, thereby impacting demand for our products. It is likely the COVID-19 pandemic will cause an economic slowdown of potentially extended duration, and it is possible that it could cause a global recession. We were able to increase our revenue from operations and EBITDA by 11.61% and 61.06%, between Fiscal 2020 and Fiscal 2021, respectively, despite the negative effects of the COVID-19 pandemic on the overall economy, and particularly on surgical volumes.

In view of the fluidity of the situation and lack of visibility on the timeline for containment of the global pandemic, the recovery trajectory seems uncertain. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future.

Evolution of our customer and product mix in India

Our revenues from India geographical segment, as per Ind AS 108, constituted 41.75%, 38.92% and 36.48% of our total revenues in Fiscals 2019, 2020 and 2021, respectively. We continuously evaluate the customer and product mix in India to pursue long–term and profitable growth. For instance, over the last three years, we have reduced the number of tenders we participate in, in India and our revenue generated from such tenders ("**Tender Business**") has reduced from ₹ 525.44 million in Fiscal 2019 to ₹ 365.64 million in Fiscal 2021. This shift was undertaken to improve our working capital cycle and profitability. In addition, we have scaled down the sales of certain products such as surgical tapes, foley catheters and intravenous sets over the last two years and increased sales of our advanced surgery portfolio. As a result, our growth in revenue from India, excluding the Tender Business and these select product lines, was 11.44% and 8.33%, in Fiscals 2020 and 2021, respectively.

For further details in relation to the impact of COVID-19, see *"-Significant Factors Affecting our Results of* Operations – *Impact of COVID-19 pandemic"* on page 298.

Significant Accounting Policies

Basis of consolidation

The restated consolidated summary statement comprises of our restated summary statements as at March 31, 2021, March 31, 2020 and March 31, 2019. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and has the ability to affect those returns through our power over the investee. Specifically, we control an investee if and only if we have:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- Our voting rights and potential voting rights

- The size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

We re-assesses whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the restated consolidated summary statement from the date we gain control until the date we cease to control the subsidiary.

The restated consolidated summary statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the restated consolidated summary statement for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's restated summary statements in preparing the restated consolidated summary statement to ensure conformity with our accounting policies.

Summary of significant accounting policies

a. Current versus non-current classification

We present assets and liabilities in the restated consolidated summary statement of assets and liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

We classify all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. We have identified twelve months as its operating cycle.

b. Business combinations and goodwill

We account for our business combinations using acquisition method of accounting. Acquisition related costs are recognized in the restated consolidated summary statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash generating units that are expected to benefit from the business combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the restated consolidated summary statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

c. Foreign currencies

The restated consolidated summary statement is presented in INR, which is also the parent company's functional currency. For each entity we determine the functional currency and items included in the restated summary statement of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is INR whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the restated consolidated summary statement of assets and liabilities date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the restated consolidated summary statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the restated consolidated summary statement of assets and liabilities date. The restated consolidated summary statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the restated consolidated summary statement of changes in equity.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized in restated consolidated summary statement of profit and loss in the period in which they arise.

d. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which we expect to receive in exchange for those products or services. To recognize revenues, we apply following five step approach:

- identify the contract with a customer,
- identify the performance obligations in the contract,
- determine the transaction price,
- allocate the transaction price to the performance obligations in the contract, and
- recognize revenues when a performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

At contract inception, we assess our promise to transfer products or services to a customer to identify separate performance obligations. We apply judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. We allocate the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where we are unable to determine the stand-alone selling price we use third-party prices for similar deliverables or we use expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the services rendered:

Sale of products

Revenue on product sales are recognized when the customer obtains control of the specified product.

Interest income

Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

Dividend income

Revenue is recognised when our right to receive the payment is established, which is generally when shareholders approve the dividend.

Export incentive

Export entitlements in the form of Merchandise Export from India Scheme (MEIS) are accounted for in the restated consolidated summary statement of profit and loss on export of goods, if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

Others

We account for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. We estimate an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

- Revenues are shown net of allowances/ returns sales tax, value added tax, goods and services tax and applicable discounts and allowances.
- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

We may enter into arrangements with third party suppliers to resell products or services. In such cases, we evaluate whether we are the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, we first evaluate whether we control the good or service before it is transferred to the customer. If we control the good or service before it is transferred to the customer, we are the principal; if not, we are an agent.

Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If we perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue).

Trade receivables

A receivable is recognised if an amount of sale consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section u. Financial instruments – initial recognition and subsequent measurement.

e. Income taxes

Tax expense comprises of current tax and deferred tax and is recognised in the restated consolidated summary statement of profit and loss.

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where we operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the restated consolidated summary statement of profit and loss (either in other comprehensive income or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in the OCI or in the equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the deferred taxes related to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use is capitalised up to the date the assets are ready for commercial use.

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the restated consolidated summary statement of profit and loss for the period during which such expenses are incurred.

The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Gains or losses arising from derecognition of property, plant and equipment are measured as differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the restated consolidated summary statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

g. Intangible assets (excluding goodwill on consolidation)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Other than capitalized development costs, internally generated intangibles are not capitalised and the related expenditure is reflected in restated consolidated summary statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the restated consolidated summary statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the restated consolidated summary statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when we can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Our intention to complete and our ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. During the period of development, the asset is tested for impairment annually.

Intellectual Property rights

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed and developed products, trademarks, industrial and other designs, service marks, copy rights and other application license and rights are capitalised. We capitalise such intangible assets when the receipt of economic benefits embodied in each intangible asset separately purchased or licensed in the transaction is considered to be probable.

h. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a written down value method using the rates arrived at based on the useful life of the assets prescribed under Schedule II to the Companies Act 2013 except in case of certain assets wherein depreciation is calculated using the rates arrived at based on the useful life estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset category	Estimated useful life (Years)
Buildings	
Temporary structures	3
Others	30
Plant and machinery*	10 to 15
Computer and peripherals	3 to 6
Electrical installation	10
Motor vehicles	8 to 10
Furniture and fittings	10
Office equipments	5 to 10

** Plant and machinery used for double and triple shifts are depreciated in 10 years and 7.5 years respectively.*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Amortisation of intangible assets

Intangibles are amortised on a straight line basis over the estimated useful economic life. Amortisation of internally developed asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the restated consolidated summary statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful economic life of intangibles are as below:

Asset category	Estimated useful life (Years)
Computer software	3
Product development cost	3
Patent, Copyright and Intellectual Property	8 to 15

j. Inventories

Raw materials and components are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw material and components is determined on a First in First Out (FIFO) basis.

Work-in -progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses our financial performance and position. The Chief Executive Officer and Managing Director has been identified as the chief operating decision maker.

The Company, together with its subsidiaries, has identified a single business segment being “Medical Devices” comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology and wound care products. This being a single segment, hence no additional segment disclosure has been made for the business segment.

Our operations spans across the world and are categorized geographically as (a) India (b) United Kingdom and (c) Rest of the world. Customer relationships are driven based on customer domicile.

The accounting policies adopted for segment reporting are in line with our accounting policies.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

l. Recent Pronouncements on significant accounting policies

Recent pronouncements on 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendment revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Consolidated Statement of Assets and Liabilities:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the restated consolidated summary statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Consolidated Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of restated consolidated summary statement.

Key Components of Income and Expenses

We report our income and expenditure in the following manner:

Income

Our total income comprises our revenue from operations, other income and finance income.

Revenue from operations

Our revenue from operations primarily comprises our revenue from contracts with customers in India, the UK and the rest of the world. Our contracts with customers in India are predominantly purchase orders, whereas in the UK and the rest of the world, we have also entered into short to medium term contracts.

Other income

Other income primarily comprises the following: (i) dividend income arising from one of our step-down Subsidiary, Quality Needles; (ii) profit on sale of investments (net); (iii) liabilities / provisions no longer required written back; (iv) foreign exchange gain (net); (v) fair value gain on financial instruments at fair value through profit or loss; (vi) net gain on sale / write off of property, plant and equipment; and (vii) other miscellaneous income.

Finance income

Finance income primarily comprises interest income – bank deposits and interest income – others.

Expenses

Cost of raw material and components consumed

Cost of raw material and components consumed comprises costs incurred towards the consumption of raw materials and components that we require for our manufacturing operations.

Purchase of traded goods

Purchase of traded goods primarily comprises the purchase of finished goods including urology products.

(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

Increase or decrease in inventories of finished goods, work-in-progress and traded goods primarily comprises the changes in inventory levels of finished goods, work-in-progress and traded goods.

Employee benefits expense

Employee benefit expenses comprises salaries, wages and bonus, contribution to provident and other funds, employee share based payments, gratuity expense and staff welfare expenses.

Finance costs

Finance costs comprise interest on debts and borrowings, interest on term loan, interest on lease liabilities and others and bank charges.

Depreciation and amortization expense.

Depreciation and amortization expenses comprises depreciation on property, plant and equipment and right-of-use assets and amortization of intangible assets.

Other expenses

Other expenses primarily comprise of freight and forwarding charges, contract labor charges, legal and professional fees, power and fuel, advertising and sales promotion, repairs and maintenance of plant and machinery, buildings and others, miscellaneous expenses, sales commission and storage expenses.

Income tax expense

Our income tax expense comprises current tax, income tax credit pertaining to earlier period and deferred tax charge / (credit). Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. We measure our deferred tax based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Other comprehensive income/(loss) for the year, net of tax

Other comprehensive income / (loss) comprises (i) re-measurement gain / (losses) on defined benefit plans; (ii) income tax effect on (i) above; (iii) net exchange (losses)/ gains on translation of foreign operations; and (iv) income tax effect on (iii) above.

Segment information

We have identified a single business segment "Medical Devices" which comprises of surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology, arthroscopy and wound care products.

Our operations span across the world and are categorized geographically as (a) India; (b) UK; and (c) rest of the world.

Segment revenue by geographical location, as per Ind AS 108, are as follows:*

(*₹ in million)*

Region	Fiscal 2021	Fiscal 2020	Fiscal 2019
India	2,602.33	2,487.65	2,438.05
United Kingdom	2,415.89	2,078.99	1,757.27
Rest of the world	2,115.35	1,825.15	1,644.88
Total	**7,133.57**	**6,391.79**	**5,840.20**

* *Revenues by geographic area are based on the geographical location of the customer.*

For the impact of the Tender Business and scaling down of certain product lines on our revenue from India, see *"-Significant Factors Affecting our Results of Operations – Evolution of our customer and product mix in India"* on page 298.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for Fiscals 2021, 2020 and 2019, and we have expressed the components of select financial data as a percentage of total income for such years:

	Fiscals					
	2021		**2020**		**2019**	
	(₹ in million)	***(% of total income)***	***(₹ in million)***	***(% of total income)***	***(₹ in million)***	***(% of total income)***
Revenue from operations	7,133.57	98.16%	6,391.79	97.98%	5,840.20	99.17%
Other income	94.77	1.30%	101.65	1.56%	12.91	0.22%
Finance income	39.24	0.54%	30.37	0.47%	35.93	0.61%
Total income (I)	**7,267.58**	**100.00%**	**6,523.81**	**100.00%**	**5,889.04**	**100.00%**
Expenses						
Cost of raw material and components consumed	1,480.33	20.37%	1,122.14	17.20%	1,265.13	21.48%
Purchase of traded goods	1,228.11	16.90%	952.35	14.60%	770.44	13.08%
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	(21.18)	(0.29)%	105.98	1.62%	(6.46)	(0.11)%
Employee benefits expense	1,698.32	23.37%	1,670.46	25.61%	1,484.92	25.21%
Finance costs	94.87	1.31%	92.17	1.41%	71.87	1.22%
Depreciation and amortization expense	353.31	4.86%	315.13	4.83%	265.29	4.50%

	Fiscals					
	2021		2020		2019	
	(₹ in million)	*(% of total income)*	*(₹ in million)*	*(% of total income)*	*(₹ in million)*	*(% of total income)*
Other expenses	1,323.70	18.21%	1,525.26	23.38%	1,399.91	23.77%
Total expense (II)	**6,157.46**	**84.73%**	**5,783.49**	**88.65%**	**5,251.10**	**89.17%**
Restated Profit before exceptional items and tax (III) [I-II]	**1,110.12**	**15.27%**	**740.32**	**11.35%**	**637.94**	10.83%
Exceptional items (IV)	20.21	0.28%	(161.51)	(2.48)%	(394.90)	(6.71)%
Restated Profit before tax (V) [III- IV]	**1,130.33**	**15.55%**	**578.81**	**8.87%**	**243.04**	**4.13%**
Current tax	274.47	3.78%	295.75	4.53%	207.05	3.52%
Income tax credit pertaining to earlier period	(43.53)	(0.60)%	(39.76)	(0.61)%	-	-
Deferred tax charge/(credit)	45.11	0.62%	(44.78)	(0.69)%	(101.32)	(1.72)%
Income tax expense (VI)	**276.05**	**3.80%**	**211.21**	**3.24%**	**105.73**	**1.80%**
Restated Profit for the year (VII) [V-VI]	**854.28**	**11.75%**	**367.60**	**5.63%**	**137.31**	**2.33%**
Other comprehensive income/(loss) for the year, net of tax (VIII)	**(8.91)**	**(0.12)%**	**(75.28)**	**(1.15)%**	**41.67**	**0.71%**
Restated total comprehensive income for the year, net of tax (IX) [VII+VIII]	**845.37**	**11.63%**	**292.32**	**4.48%**	**178.98**	**3.04%**

Fiscal 2021 compared to Fiscal 2020

Total Income

Our total income increased by 11.40% to ₹ 7,267.58 million for Fiscal 2021 from ₹ 6,523.81 million for Fiscal 2020. This increase was primarily due to an increase in our revenue from operations.

Revenue from operations. Our revenue from operations increased by 11.61% to ₹ 7,133.57 million for Fiscal 2021 from ₹ 6,391.79 million for Fiscal 2020, primarily due to an increase in our sale of products to ₹ 7,067.86 million for Fiscal 2021 from ₹ 6,269.19 million for Fiscal 2020. This increase was largely due to increased sales to existing customers and addition of new customers, sale of higher volumes of certain advanced surgery products driven by demand due to the COVID-19 pandemic and a favorable impact of foreign exchange on our revenue from operations. This increase was partially offset by a decrease in export incentive to ₹ 64.92 million for Fiscal 2021 from ₹ 121.36 million for Fiscal 2020. We were entitled to export incentives in the form of Merchandise Export from India Scheme. The Merchandise Export from India Scheme was superseded by the RoDTEP Scheme with effect from January 1, 2021.

For the impact of the Tender Business and scaling down of certain product lines on our revenue from India, see *"-Significant Factors Affecting our Results of Operations – Evolution of our customer and product mix in India"* on page 298.

Other income. Our other income decreased by 6.77% to ₹ 94.77 million for Fiscal 2021 from ₹ 101.65 million for Fiscal 2020, primarily due to a decrease in the liabilities / provisions no longer required written back to ₹ 2.40 million for Fiscal 2021 from ₹ 23.34 million for Fiscal 2020. This decrease was partially offset by an increase in the foreign exchange gain (net) to ₹ 88.57 million for Fiscal 2021 from ₹ 73.09 million for Fiscal 2020.

Finance income. Our finance income increased by 29.21% to ₹ 39.24 million for Fiscal 2021 from ₹ 30.37 million for Fiscal 2020, primarily due to a higher interest income - bank deposits to ₹ 39.24 million for Fiscal 2021 from ₹ 28.72 million for Fiscal 2020. The higher interest income - bank deposits was primarily due to higher balances on deposit as a result of an improvement in our cash and cash equivalents to ₹ 1,088.12 million as on March 31, 2021 compared to ₹ 317.78 million as on

March 31, 2020.

Expenses

Cost of raw material and components consumed. The cost of raw material and components consumed increased by 31.92% to ₹ 1,480.33 million for Fiscal 2021 from ₹ 1,122.14 million for Fiscal 2020, primarily due to an increase in manufacturing volumes of certain products and an increase in the cost of raw materials such as latex and sheep hanks.

Purchase of traded goods. The purchase of traded goods increased by 28.96% to ₹ 1,228.11 million for Fiscal 2021 from ₹ 952.35 million for Fiscal 2020, primarily due to an increase in the purchase of urology products (including from VitalCare) and building of stock in our UK business in order to mitigate the impact of disruption in logistics on account of Brexit and COVID - 19.

(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods. There was an increase in inventories of finished goods, work-in-progress and traded goods of ₹ 21.18 million for Fiscal 2021 as compared to a decrease in inventories of finished goods, work-in-progress and traded goods of ₹ 105.98 million for Fiscal 2020. This is primarily to a higher closing inventory of traded goods for Fiscal 2021 as compared to Fiscal 2020, on account of higher purchases to mitigate the impact of disruption on account of Brexit and COVID-19.

Employee benefits expense. The employee benefits expense increased by 1.67% to ₹ 1,698.32 million for Fiscal 2021 from ₹ 1,670.46 million for Fiscal 2020, primarily due to a small increase in salaries, wages and bonus to ₹ 1,421.14 million for Fiscal 2021 from ₹ 1,406.83 million for Fiscal 2020 and an increase in the contribution to provident and other funds to ₹ 159.60 million for Fiscal 2021 from ₹ 147.33 million for Fiscal 2020. This is primarily attributable to an increase in the number of contract labor due to an increase in manufacturing volumes of certain products. This was partially offset by a decrease in employee share based payments to ₹ 40. 29 million for Fiscal 2021 from ₹ 41.41 million for Fiscal 2020.

Finance costs. The finance costs increased by 2.93% to ₹ 94.87 million for Fiscal 2021 from ₹ 92.17 million for Fiscal 2020, primarily due to an increase in the interest on lease liabilities and others to ₹ 21.22 million for Fiscal 2021 from ₹ 16.79 million for Fiscal 2020. The increase in the interest on lease liabilities and others was primarily attributable to the new lease arrangements entered into by us in Fiscal 2021.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 12.12% to ₹ 353.31 million for Fiscal 2021 from ₹ 315.13 million for Fiscal 2020, primarily due to an increase in our depreciation on property, plant and equipment and right-of-use assets to ₹ 295.58 million for Fiscal 2021 from ₹ 282.41 million for Fiscal 2020 and an increase in amortization of intangible assets to ₹ 62.55 million for Fiscal 2021 from ₹ 35.26 million for Fiscal 2020.

Other expense. Our other expenses decreased by 13.21% to ₹ 1,323.70 million for Fiscal 2021 from ₹ 1,525.26 million for Fiscal 2020, primarily due to a decrease in:

- travelling and conveyance to ₹ 46.35 million for Fiscal 2021 from ₹ 159.97 million for Fiscal 2020;
- advertising and sales promotion to ₹ 83.27 million for Fiscal 2021 from ₹ 135.28 million for Fiscal 2020;
- sales commission to ₹ 66.61 million for Fiscal 2021 from ₹ 106.80 million for Fiscal 2020; and
- rates and taxes to ₹ 42.07 million for Fiscal 2021 from ₹ 80.03 million for Fiscal 2020.

The decrease was partially offset by an increase in:

- freight and forwarding charges to ₹ 225.39 million for Fiscal 2021 from ₹ 190.56 million for Fiscal 2020; and
- storage expenses to ₹ 63.00 million for Fiscal 2021 from ₹ 31.38 million for Fiscal 2020.

Exceptional items

Our exceptional items were ₹ 20.21 million for Fiscal 2021 as compared to ₹ (161.51) million for Fiscal 2020. During Fiscal 2019, our Company had accrued ₹ 69.70 million towards provision for minimum wages. Subsequently, during Fiscal 2021, our Company has reversed ₹ 20.21 million towards minimum wages provision basis the settlement of liability. The exceptional items in Fiscal 2020 primarily consisted of the provision for payment of principal demand amount of ₹ 128.41 million pursuant to a demand notice issued by the National Pharmaceutical Pricing Authority in relation to the pricing of catheters sold by us. For further details, see "*Legal and Other Information*" on page 453. The exceptional items in Fiscal 2020 also consisted of provision of ₹ 53.57 million being expected loss on sale / liquidation of our subsidiary, Mena Medical Manufacturing (FZC), reversal of provision for inventory amounting to ₹ 17.34 million (accrued in Fiscal 2019) as it was no longer required and reversal of ESOP provision no longer required amounting to ₹ 3.13 million (accrued in Fiscal 2019).

Income tax expense

Our income tax expense increased by 30.70% to ₹ 276.05 million for Fiscal 2021 from ₹ 211.21 million for Fiscal 2020, primarily due to a deferred tax charge of ₹ 45.11 million for Fiscal 2021 compared to a deferred tax credit of ₹ 44.78 million for Fiscal 2020. The higher deferred tax charge is associated with a gap in timing on account of depreciation allowance and non-allowable expenditures for tax purposes. This increase was partially offset by a decrease in the current tax to ₹ 274.47 million for Fiscal 2021 from ₹ 295.75 million for Fiscal 2020.

Restated Profit for the year

For the reasons discussed above, our restated profit for the year increased by 132.39% to ₹ 854.28 million for Fiscal 2021 from ₹ 367.60 million for Fiscal 2020.

Other comprehensive income / (loss) for the year, net of tax

Our other comprehensive loss for the year, net of tax decreased to ₹ 8.91 million for Fiscal 2021 from ₹ 75.28 million for Fiscal 2020, primarily on account of decrease in net exchange losses on translation of foreign operations to ₹ 11.56 million for Fiscal 2021 from ₹ 75.35 million for Fiscal 2020.

Restated total comprehensive income for the year, net of tax

Our restated total comprehensive income for the year, net of tax increased by 189.19% to ₹ 845.37 million for Fiscal 2021 from ₹ 292.32 million for Fiscal 2020.

Fiscal 2020 compared to Fiscal 2019

Total Income

Our total income increased by 10.78% to ₹ 6,523.81 million for Fiscal 2020 from ₹ 5,889.04 million for Fiscal 2019, primarily due to an increase in revenue from operations and other income.

Revenue from operations. Our revenue from operations increased by 9.44% to ₹ 6,391.79 million for Fiscal 2020 from ₹ 5,840.20 million for Fiscal 2019, primarily due to an increase in our sale of products to ₹ 6,269.19 million for Fiscal 2020 from ₹ 5,777.07 million for Fiscal 2019 and an increase in export incentives to ₹ 121.36 million for Fiscal 2020 from ₹ 62.31 million for Fiscal 2019. The increase in sale of products was primarily attributable to sale of higher volumes of products across our key markets due to acquisition of new customers and expansion of our distribution network.

For the impact of the Tender Business and scaling down of certain product lines on our revenue from India, see *"-Significant Factors Affecting our Results of Operations – Evolution of our customer and product mix in India"* on page 298.

Other income. Our other income increased substantially to ₹ 101.65 million for Fiscal 2020 from ₹ 12.91 million for Fiscal 2019, primarily due to an increase in foreign exchange gain (net) to ₹ 73.09 million for Fiscal 2020 from ₹ 0.00 million for Fiscal 2019 and an increase in the liabilities / provisions no longer required written back to ₹ 23.34 million for Fiscal 2020 from ₹ 1.29 million for Fiscal 2019. In Fiscal 2019, the foreign exchange loss (net) was ₹38.96 million which was captured under other expenses.

Finance income. Our finance income decreased by 15.47% to ₹ 30.37 million for Fiscal 2020 from ₹ 35.93 million for Fiscal 2019, primarily due to a decrease in interest income - bank deposits to ₹ 28.72 million for Fiscal 2020 from ₹ 33.21 million for Fiscal 2019. The decrease in interest income was primarily attributable to lower balances on deposit as a result of a reduction in cash and cash equivalents to ₹ 317.78 million as on March 31, 2020 from ₹ 564.18 million as on March 31, 2019.

Expenses

Cost of raw material and components consumed. The cost of raw material and components consumed decreased by 11.30% to ₹ 1,122.14 million for Fiscal 2020 from ₹ 1,265.13 million for Fiscal 2019. This was primarily on account of improved rates from our suppliers and higher sale of certain high margin products and a better sales mix.

Purchase of traded goods. The purchase of traded goods increased by 23.61% to ₹ 952.35 million for Fiscal 2020 from ₹ 770.44 million for Fiscal 2019. This was primarily on account of growth in our key focus area of urology resulting in an increase in the purchase of urology products (including from VitalCare).

(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods. There was a decrease in inventories of finished goods, work-in-progress and traded goods of ₹ 105.98 million for Fiscal 2020 as compared to an increase in inventories of finished goods, work-in-progress and traded goods of ₹ 6.46 million for Fiscal 2019. This is primarily to a lower closing inventory of traded goods for Fiscal 2020 as compared to Fiscal 2019.

Employee benefits expense. The employee benefits expense increased by 12.49% to ₹ 1,670.46 million for Fiscal 2020 from ₹ 1,484.92 million for Fiscal 2019, primarily due to an increase in salaries, wages and bonus to ₹ 1,406.83 million for Fiscal 2020 from ₹ 1,261.20 million for Fiscal 2019, an increase in the contribution to provident and other funds to ₹ 147.33 million for Fiscal 2020 from ₹ 113.44 million for Fiscal 2019 and an increase in our employee share based payments to ₹ 41.41 million for Fiscal 2020 from ₹ 35.97 million for Fiscal 2019. This is primarily attributable to an increase in our number of employees in line with the overall growth of our operations. The employee benefits expense for Fiscal 2019 consists of certain one-time items and provisions relating to employees which we incurred on account of management transition.

Finance costs. The finance costs increased by 28.25% to ₹ 92.17 million for Fiscal 2020 from ₹ 71.87 million for Fiscal 2019, primarily due to an increase in the interest on debts and borrowings to ₹ 56.93 million for Fiscal 2020 from ₹ 41.77 million for Fiscal 2019 and an increase in the interest on lease liabilities and others to ₹ 16.79 million for Fiscal 2020 from ₹ 4.01 million for Fiscal 2019. The increase in the interest on lease liabilities and others was primarily attributable to the new lease arrangement entered into by us in Fiscal 2020. This increase was partially offset by a decrease in the bank charges to ₹ 17.45 million for Fiscal 2020 from ₹24.30 million for Fiscal 2019.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 18.79% to ₹ 315.13 million for Fiscal 2020 from ₹ 265.29 million for Fiscal 2019, primarily due to an increase in our depreciation on property, plant and equipment and right-of-use assets to ₹ 282.41 million for Fiscal 2020 from ₹ 242.32 million for Fiscal 2019 and an increase in amortization of intangible assets to ₹ 35.26 million for Fiscal 2020 from ₹ 26.48 million for Fiscal 2019. This increase in depreciation expense is primarily attributable to an increase of our installed manufacturing capacity at our Noida Facility and Bengaluru Unit I.

Other expense. Our other expenses increased by 8.95% to ₹ 1,525.26 million for Fiscal 2020 from ₹ 1,399.91 million for Fiscal 2019, primarily due to an increase in:

- contract labor charges to ₹ 216.10 million for Fiscal 2020 from ₹ 177.28 million for Fiscal 2019;
- legal and professional fees to ₹ 146.06 million for Fiscal 2020 from ₹ 104.58 million for Fiscal 2019;
- rates and taxes to ₹ 80.03 million for Fiscal 2020 from ₹ 51.90 million for Fiscal 2019; and
- allowances for doubtful debts and advances to ₹ 42.35 million from ₹ 18.42 million for Fiscal 2019.

The increase was partially offset by a decrease in sales commission to ₹ 106.80 million for Fiscal 2020 from ₹ 138.26 million for Fiscal 2019.

Exceptional items

Our exceptional items were ₹ (161.51) million for Fiscal 2020 as compared to ₹ (394.90) million for Fiscal 2019. The exceptional items in Fiscal 2020 primarily consisted of items such as the provision for payment of principal demand amount of ₹ 128.41 million pursuant to a demand notice issued by the National Pharmaceutical Pricing Authority in relation to the pricing of catheters sold by us. For further details, see "*Legal and Other Information*" on page 453. The exceptional items in Fiscal 2020 also consisted of provision of ₹ 53.57 million being expected loss on sale / liquidation of our subsidiary, Mena Medical Manufacturing (FZC), reversal of provision for inventory amounting to ₹ 17.34 million (accrued in Fiscal 2019) as it was no longer required and reversal of ESOP provision no longer required amounting to ₹ 3.13 million (accrued in Fiscal 2019). The exceptional items in Fiscal 2019 primarily consisted of inventory provisions, employee expenses and contract labour charges. During the year ended Fiscal 2019, our Company reviewed its inventory ageing policy and basis inventory review and physical verification had identified unfit, unusable and non-moving inventory. Pursuant to the same, our Company had provided ₹ 85 million towards such inventory and additionally ₹ 50 million is written off. During the Fiscal 2019, Quinag Acquisition (FDI) Limited acquired shares from TPG Growth II SF Pte. Ltd and other shareholders and became majority shareholder of our Company. Pursuant to this transaction, our Company had paid bonus to certain employees including KMPs amounting to ₹ 123.82 million and consultant fee of ₹ 9.65 million. Further, our Company had recorded additional ESOP cost of ₹ 42.63 million on account of accelerated vesting and cash settlement of options and we had reversed ESOP provision no longer required amounting to ₹ 3.13 million in Fiscal 2020. Further, our Company had created provision towards uncollected Form C and Form F amounting to ₹ 14.10 million.

Income tax expense

Our income tax expense increased by 99.76% to ₹ 211.21 million for Fiscal 2020 from ₹ 105.73 million for Fiscal 2019, primarily due to an increase in current tax to ₹ 295.75 million for Fiscal 2020 from ₹ 207.05 million for Fiscal 2019, mainly reflecting an increase in our operating profit as a result of higher sales volume and a reduction in exceptional items, and a decrease in deferred tax credit of ₹ 44.78 million for Fiscal 2020 from deferred tax credit of ₹ 101.32 million for Fiscal 2019. This was partially offset by an increase in income tax credit pertaining to earlier period of ₹ 39.76 million for Fiscal 2020 from ₹ 0.00 million for Fiscal 2019.

Restated Profit for the year

For the reasons stated above, our restated profit for the year increased by 167.72% to ₹ 367.60 million for Fiscal 2020 from ₹ 137.31 million for Fiscal 2019.

Other comprehensive income / (loss) for the year, net of tax

Our other comprehensive loss for the year, net of tax was ₹ 75.28 million for Fiscal 2020 as compared to our other comprehensive income for the year, net of tax of ₹ 41.67 million for Fiscal 2019, primarily on account of net exchange loss on translation of foreign operations of ₹ 75.35 million for Fiscal 2020 as compared to net exchange gains on translations of foreign operations of ₹ 43.39 million for Fiscal 2019.

Restated total comprehensive income for the year, net of tax

Our restated total comprehensive income for the year, net of tax increased by 63.33% to ₹ 292.32 million for Fiscal 2020 from ₹ 178.98 million for Fiscal 2019.

Cash flows and cash and cash equivalents

The following table sets forth our cash flows and cash and cash equivalents for the years indicated:

(in ₹ million)

	Fiscals		
	2021	**2020**	**2019**
Net cash flows from/(used in) Operating Activities	1,221.29	589.24	514.38
Net cash flows from/(used in) Investing Activities	(22.06)	(174.10)	(90.98)
Net cash flows from/(used in) Financing Activities	(447.19)	(672.03)	(200.11)
Net increase / (decrease) in cash and cash equivalents	**752.04**	**(256.89)**	**223.29**
Net foreign exchange differences	18.30	10.49	(1.94)
Cash and cash equivalents at the beginning of the year	317.78	564.18	342.83
Cash and cash equivalents at the year end	**1,088.12**	**317.78**	**564.18**

Operating activities

Net cash flows from operating activities was ₹ 1,221.29 million for Fiscal 2021. Our restated profit after exceptional items and before tax of ₹ 1,130.33 million, was adjusted primarily for income tax paid of ₹ 356.60 million, depreciation of property, plant and equipment and right of use assets of ₹ 290.76 million and interest expense of ₹ 94.87 million. Our changes in working capital for Fiscal 2021 primarily consisted of increase in other assets of ₹ 45.15 million and decrease in other liabilities and provisions of ₹ 58.68 million. This was partially offset by decrease in trade receivables of ₹ 102.35 million.

Net cash flows from operating activities was ₹ 589.24 million for Fiscal 2020. Our restated profit after exceptional items and before tax of ₹ 578.81 million was adjusted primarily for income tax paid of ₹ 308.85 million, depreciation of property, plant and equipment and right of use assets of ₹ 279.87 million, interest expense of ₹ 92.17 million and net unrealized foreign exchange differences of ₹ (68.24) million. Our changes in working capital for Fiscal 2020 primarily consisted of increase in trade receivables of ₹ 200.60 million, increase in other assets of 241.74 million and increase in other liabilities and provisions of ₹ 214.76 million.

Net cash flows from operating activities was ₹ 514.38 million for Fiscal 2019. Our restated profit after exceptional items and before tax of ₹ 243.04 million was adjusted primarily for income tax paid of ₹ 300.17 million, depreciation of property, plant and equipment and right of use assets of ₹ 238.81 million and interest expense of ₹ 71.87 million. Our changes in working capital for Fiscal 2019 primarily consisted of decrease in trade receivables of ₹ 211.75 million and increase in trade payables and other financial liabilities of ₹ 145.04 million.

Investing activities

Net cash flows used in investing activities was ₹ 22.06 million for Fiscal 2021, primarily due to a significant sum of ₹ 184.04 million used for purchase of property, plant and equipment, including capital work in progress and capital advances. The amount was primarily utilized for plant maintenance, increasing installed manufacturing capacity at Noida Facility and Bengaluru Unit I and purchasing furniture and fixtures for our one of our office premises. These cash outflows were partially offset by proceeds from bank deposits and margin money deposit (net) of ₹ 103.93 million and interest received of ₹ 62.02 million.

Net cash flows used in investing activities was ₹ 174.10 million for Fiscal 2020, primarily due to significant sum of ₹ 247.63 million used for purchase of property, plant and equipment, including capital work in progress and capital advances and a sum of ₹ 73.54 million used for purchase of intangible assets. The amount was primarily attributable to product development costs being capitalized on launch or completion of the products. These cash outflows were partially offset by proceeds from sale of current investments (net) of ₹ 145.10 million.

Net cash flows used in investing activities was ₹ 90.98 million for Fiscal 2019, primarily due to a significant sum of ₹ 330.89 million used for purchase of property, plant and equipment, including capital work in progress and capital advances. The amount was primarily utilized for plant maintenance, increasing installed manufacturing capacity at our Noida Facility and setting up of the urology plant at the Kunigal Facility. These cash outflows were partially offset by proceeds from bank deposits and margin money deposit (net) of ₹ 169.98 million.

Financing activities

Net cash flows used in financing activities was ₹ 447.19 million for Fiscal 2021, primarily due to dividend paid to equity shareholders of ₹ 312.39 million, interest paid of ₹ 167.21 million and repayment of current borrowings, net of ₹ 117.33 million. This was partially offset by proceeds from long-term borrowings, net of ₹ 197.24 million.

Net cash flows used in financing activities was ₹ 672.03 million for Fiscal 2020, primarily due to dividends paid to equity shareholders of ₹ 673.19 million and dividend distribution tax paid of ₹ 143.23 million. This was partially offset by proceeds from current borrowings, net of ₹ 219.08 million.

Net cash flows used in financing activities was ₹ 200.11 million for Fiscal 2019, primarily due to repayment of long term borrowings, net of ₹ 172.95 million and dividends paid to equity shareholders of ₹ 72.60 million and interest paid of ₹ 50.49 million. This was partially offset by proceeds from current borrowings, net of ₹ 100.49 million.

Indebtedness

The following table sets forth our financial indebtedness as of March 31, 2021:

(in ₹ million)

Particulars	As of March 31, 2021
Non-current borrowings[1]	
Secured loan	
- from banks	21.62
-from holding company in foreign currency	741.36
Current borrowings	
Loan repayable on demand (from bank) (secured)	
-Import nostro financing	27.47
-Pre and post shipment finance	170.24
-Working capital loan	4.53
Total	**965.22**

1. *This excludes current maturities of non-current borrowings shown under 'Other Financial Liabilities' in the Restated Financial Information.*

For further details in relation to our financial indebtedness as of August 23, 2021, see *"Financial Indebtedness"* on page 318.

Capital and other commitments

As of March 31, 2021, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 109.11 million.

Liquidity risk profile

The following table sets forth the maturity profile of our financial assets and liabilities based on contractual undiscounted cashflows as of March 31, 2021:

Other contractual obligations	**Payments due by period**			
	Total	**1 year or less**	**1-5 years**	**More than 5 years**
Financial Assets				
Investments (current and non current)	38.69	38.67	0.02	-
Loans (current and non current)	65.26	3.63	61.63	-
Trade receivables	1,096.43	1,096.43	-	-
Cash and cash equivalents	1,088.12	1,088.12	-	-
Bank balances other than cash and cash equivalents	130.53	130.53	-	-

Other contractual obligations	Payments due by period			
	Total	**1 year or less**	**1-5 years**	**More than 5 years**
Other financial assets (current and non current)	153.70	88.27	65.43	-
Total	**2,572.73**	**2,445.65**	**127.08**	**-**
Financial liabilities				
Borrowings (current and non-current) *	965.22	202.24	762.98	-
Lease liabilities (current and non-current) **	464.10	72.61	222.35	169.14
Trade payables	678.79	678.79	-	-
Other financial liabilities (current and non-current)	397.76	275.28	122.48	-
Total	**2,505.87**	**1,228.92**	**1,107.81**	**169.14**

** Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature*
*** Includes future cash outflow towards estimated interest on lease liabilities.*

Capitalisation of expenditure

For Fiscals 2021, 2020 and 2019, we had incurred capital expenditure primarily towards self-constructed assets of ₹ 51.48 million, ₹ 72.13 million and ₹ 57.05 million in property, plant and equipment, respectively, and ₹ 33.18 million, ₹ 62.82 million and ₹ 20.32 million in capital work-in-progress, respectively.

Contingent liabilities and commitments

The table below sets forth our contingent liabilities as per Ind AS 37 as at March 31, 2021:

(in ₹ million)

Contingent liabilities	As at March 31, 2021
Bank guarantee	33.40
Claims against the group not acknowledged as debts	
a) Excise duty matters, under appeal	-
b) Income tax matters	59.42
c) Customs duty matters, under appeal	1.19
d) Service tax matters, under appeal	16.82
e) VAT/CST matters	1.01
f) National Pharmaceutical Pricing Authority (NPPA)	49.21
Total	**161.05**

For details in relation to our contingent liabilities as per Ind AS 37 as at March 31, 2021, see *"Financial Information – Restated Financial Information – 33.b. Contingent Liabilities"* on page 261.

Off-balance sheet commitments and arrangements

We use derivative financial instruments, such as forward currency contracts to hedge our foreign currency risks. We do not have any other off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Qualifications and Emphasis of Matters

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

The following table sets forth the emphasis of matter and Companies Auditor's Report Order, 2016 ("**CARO**") report observations included in the audit reports of our Statutory Auditors on our standalone and consolidated financial statements for the periods indicated:

Fiscal 2019

Name of the Entity	Details of Observation
Our Company (standalone financial statements) – CARO report observations	The Statutory Auditor stated that during the year, property, plant and equipment had not been physically verified by management. However, subsequent to the year end March 31, 2019, the management had verified the property, plant and equipment covering substantial part of property, plant and equipment and noted no material discrepancies.
	The Statutory Auditor stated that the management had conducted physical verification of inventories during the year and discrepancies noted on physical verification were material and had been properly dealt with in the books of accounts. In the opinion of the Statutory Auditor, inventory management process relating to periodic updation of bill of material and periodical reconciliation of consumption with production needs to be strengthened. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.
	Our Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues applicable to it. The Statutory Auditor referred to a specified note to the standalone Ind AS financial statements of our Company relating to Supreme Court judgement on determination of salary components for the purpose of provident fund contribution.
	According to the information and explanations given to the Statutory Auditor, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The Statutory Auditor referred to a specified note to the standalone Ind AS financial statements of our Company relating to Supreme Court judgement on determination of salary components for the purpose of provident fund contribution.

Fiscal 2020

Name of the Entity	Details of Observation
Our Company (standalone financial statements) – Emphasis of matter	The Statutory Auditor has drawn attention to a specified note to the standalone Ind AS financial statements which describes the fact that the COVID-19 pandemic would cause various economic and social disruption to our Company impacting trade receivables and carrying value of all other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the standalone Ind AS financial statements and our Company will continue to closely monitor any material changes to future economic conditions.
Our Company (consolidated financial statements) – Emphasis of matter	The Statutory Auditor has drawn attention to a specified note to the consolidated Ind AS financial statements which describes the fact that the COVID-19 pandemic would cause various economic and social disruption to us impacting trade receivables and carrying value of all other assets, supply chains, consumer demand, commodity prices, personnel available for work and access to offices. The impact may be different from that estimated as at the approval of the consolidated Ind AS financial statements and we will continue to closely monitor any material changes to future economic conditions.
Our Company (standalone financial statements) – CARO report observation	The Statutory Auditor stated that our Company's management conducted physical verification of certain inventories during the year and due to outbreak of COVID-19 and lock down restrictions imposed by the government, the management has conducted physical verification of inventory subsequent to the year end covering major class of inventories. Discrepancies noted on physical verification have been properly dealt with in the books of accounts. In our Statutory Auditor's opinion, inventory management process relating to the frequency and the coverage of the inventory verification, periodic updation of bill of material and periodical reconciliation of consumption with

Name of the Entity	Details of Observation
	production needs to be strengthened. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

Quantitative and qualitative analysis of market risks

We are exposed to various types of market risks during the normal course of business. For further details, see *"Risk Factors"* on page 24:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments. We have established risk management policies to limit the impact of these risks on our financial performance. We aim to ensure optimization of cash through fund planning and cash management practices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates and our deposits with Banks.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency).

Price risk

We invest our surplus funds in liquid mutual funds. We are exposed to market price risk arising from uncertainties about future values of the investment. We manage the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from our purchases and sales of latex, latex based gloves and stainless steel wires. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of our raw materials generally fluctuate in line with commodity cycles. Cost of raw materials forms the largest portion of our operating expenses.

Credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers and investment securities.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 24. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future relationship between cost and revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see *"Other Financial Information – Related Party Transactions"* on page 289.

Competitive conditions

We operate in a competitive environment. Please refer to *"Risk Factors*", *"Industry Overview",* "*Our Business*" and "*- Significant Factors Affecting our Results of Operation – Competition"* on pages 24, 114, 141 and 163, for further information on our industry and competition.

Seasonality and cyclicality of business

Our business is not seasonal in nature.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*" above on pages 307 and 309, respectively.

Significant dependence on single or few customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers. For further details in relation to our dependence on NHS, see *"Risk Factors - Any adverse developments in our relationship with NHS could have an adverse effect on our business, results of operations, cash flows and financial condition"* on page 39.

New products or business segments

Except as disclosed in "*Our Business*" on page 141, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant developments occurring after March 31, 2021

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

- Our Company has entered into a business transfer agreement dated May 26, 2021 ("**BTA**") with Sri Gopal Krishna Labs Private Limited and its shareholders for purchase of a business undertaking as a going concern on a slump sale basis for the lump sum purchase price. The upfront purchase consideration paid was ₹ 500 million and the deferred purchase consideration to be paid by our Company is ₹ 50 million. The business undertaking is engaged in the business of manufacturing and selling haemostatic surgical gelatin sponge under the brand "AbGel". The Company acquired AbGel on July 31, 2021.

- Our step-down subsidiary, Clinisupplies Limited, acquired 100% of outstanding shares of VitalCare for an aggregate consideration of up to GBP 9.25 million, equivalent to approximately ₹ 952.82* million, plus / minus certain other items including cash in hand and cash equivalents, as included in the share purchase agreement dated July 1, 2021. The purchase price for such acquisition is the aggregate of (i) GBP 8 million plus aggregate amount of unrestricted cash in hand and cash equivalents; and (ii) earn-out consideration up to GBP 1.25 million, if any, which shall be calculated and paid in accordance with the share purchase agreement. VitalCare is engaged in the business of and sales of white labelled urology and anal irrigation products.

  ** For the foreign exchange conversion from GBP to INR, FEDAI rate, as of June 30, 2021, has been considered.*

- Pursuant to a resolution of the Shareholders of our Company dated August 7, 2021, equity shares of face value of ₹ 2 each, were sub-divided into Equity Shares of face value of ₹ 1 each. Consequently, 46,280,564 equity shares of face value of ₹ 2 each were sub-divided into 92,561,128 Equity Shares of face value of ₹ 1 each.

- The Board of Directors of our Company, pursuant their resolution dated August 26, 2021, allotted 5,199,996 Equity Shares of ₹ 1 each to its existing Shareholders, pursuant to the rights issue at a premium of ₹ 249 each, per equity share. This rights issue was undertaken to fund the upfront consideration for the acquisition of CareNow. The rights issue was fully subscribed and closed on August 26, 2021.

- On August 31, 2021, our Company acquired 100% of the outstanding equity shares of CareNow for an initial purchase consideration of ₹ 1,260 million, subject to certain adjustments as stated in the share purchase agreement dated August 26, 2021, and a deferred consideration of ₹ 50 million linked to Carenow receiving US FDA approval for its 'theruptor product', a sterile barrier wound dressing. In addition, our Company, CareNow, and its preference shareholders entered into a put and call option agreement dated August 26, 2021 pursuant to which our Company may acquire 30 compulsorily convertible preference shares of CareNow, from the preference shareholders after a specified date at a price to be determined on achievement of certain milestones and such purchase price shall not exceed ₹ 1,740.00 million. CareNow is engaged in the business of manufacturing infection prevention products.

Recent accounting pronouncements

As on the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which, we believe, would have a material effect on our financial condition or results of operations, other than as specified in *"-Significant Accounting Policies – Recent Pronouncements on significant accounting policies"* on page 304.

FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business for meeting its working capital and business requirements. For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers of our Board*" on page 191. Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as of August 23, 2021

(in ₹ million)

Category of Borrowings	Total Sanctioned Amount	Outstanding amount as on August 23, 2021
Secured		
Term Loan*	3,945.41	2,114.06
Working Capital from bank**		
Fund Based	800.71	100.32
Non-Fund Based		213.30
Total Secured (A)	4,746.12	2,427.69
Unsecured (B)	-	-
Total (C = A+B)	**4,746.12**	**2,427.69**

* *Includes (i) term loans sanctioned from banks amounting to ₹ 671.15 million and outstanding balance, as of August 23, 2021, amounting to ₹ 530.58 million, and (ii) term loan sanctioned from the Promoter of the Company amounting to ₹ 3,274.26 million and outstanding balance, as of August 23, 2021, amounting to ₹ 1,583.48 million.*

** *Includes interchangeable limits*

^ *As certified by Manian and Rao, Chartered Accountants, in their certificate dated September 5, 2021*

Borrowing in foreign currency are converted to INR based on FEDAI spot rate as on July 30, 2021/ exchange rate used by banks for conversion

1. **Principal terms of the facilities sanctioned to our Company and its Subsidiaries: *Interest:*** In respect of certain facilities sanctioned to our Company and our Subsidiaries, the interest typically ranges from 1.00% to 9.50% per annum. In terms of the loans availed, the interest rate is either Marginal Cost of Fund Based Lending Rate ("**MCLR**") of a specified lender/ bank rate/ London Interbank Offered Rate ("**LIBOR**") and spread per annum, or rates negotiated from time to time, or rates which are mutually decided between the lender and the Company and its Subsidiaries. The spread varies among different loans.

2. ***Tenor and Repayment:*** The tenor and repayment of the facilities availed by our Company and its Subsidiaries depends on the nature of facilities and agreement with the lenders. Working capital facilities are repayable on demand. The repayment terms of other facilities range from 1 year to 3 years as agreed with the lenders. The loan availed by Sironix Medical Technologies B.V. from the Promoter of the Company is repayable at such time as Sironix Medical Technologies B.V. and the lender shall agree. The loan availed by Clinisupplies Limited from the Promoter of the Company is repayable at the lender's option following a listing of and admission of trading of shares of the borrower or any holding company of the borrower on any stock exchange; or on the termination date.

3. ***Security:*** In terms of borrowings where the security needs to be created, our Company and Subsidiaries are typically required to:

   a) create exclusive charge on the movable fixed assets of the Company, present and future, and current assets,

   b) provide demand promissory notes and letter of comfort/ guarantee from the Company.

   This is an indicative list and there may be additional requirements for creation of security under various borrowing arrangements entered into by our Company and its subsidiaries.

4. ***Pre-payment:*** The loans availed by our Company and its Subsidiaries typically have prepayment provisions which allows for prepayment of the outstanding loan amount at any given point in time, subject to prepayment penalties as may be decided by the lender at the time of such prepayment. These prepayment penalties typically range up to 2% of amount being prepaid. The prepayment penalty is as per sanction terms.

5. ***Events of Default*** Borrowing arrangements entered into by our Company contain standard events of defaults including among others:

   a) failure or inability to pay the loan amounts on due dates;

   b) default (other than a payment default) has occurred in the performance of any covenant, condition or understanding on part of the borrower under the agreement or any other person under the transaction documents;

   c) incorrect and misleading information and representation;

   d) inadequate insurance on the assets;

e) in the event of any bankruptcy, insolvency, voluntarily or involuntarily dissolved, liquation or dissolution;

f) cessation or threat of cessation to carry on any business of our Company;

g) security not created or perfected or in jeopardy;

h) misuse of funds or diversion of funds; or

i) cross default

This is an indicative list and there may be additional terms and conditions that may amount to an event of default under various borrowing arrangements entered into by our Company and its Subsidiaries.

6. .***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the lender bank may terminate and cancel either whole or part of the facility following the occurrence of an event of default.

7. ***Restrictive Covenants:*** The facilities sanctioned to our Company and our Subsidiaries contain certain restrictive covenants, including:

a) change in capital structure, constitution, structure, and ownership without prior approval of the lender.

b) substantial change in the general nature of business.

c) modify, alter or otherwise change our constitution documents without the prior written approval of the lender.

d) undertake any amalgamation, merger, demerger, reconstruction without the prior approval of the lender.

e) declaration or payment of dividends to the Shareholders without prior written approval if the lender f any evet of default has occurred.

This is indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company and our Subsidiaries.

For the purpose of the Offer, our Company and Subsidiaries have obtained the necessary consents required under the relevant financing documentation and do not require any further consents from our lenders for undertaking activities relating to the Offer.

SECTION VI: PROFORMA CONSOLIDATED FINANCIAL INFORMATION

S. No.	Financial Statements
1.	Proforma Consolidated Financial Information
2.	Financial Statements of Acquired Businesses and Entities: a. Audited consolidated financial statements of VitalCare for the year ended March 31, 2021 along with translated financial information from foreign currency to INR b. Audited special purpose carve out financial statements of AbGel for the year ended March 31, 2021 c. Audited special purpose financial statements of CareNow for the year ended March 31, 2021

[*The remainder of his page has been intentionally left blank*]

Independent Practitioner's Assurance Report on the Compilation of proforma consolidated financial information included in Draft Red Herring Prospectus in connection with the proposed initial public offer of Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)

The Board of Directors
Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
472/D 4th Phase
13th Cross Peenya Industrial Area
Bangalore – 560 058

Report on the Compilation of Proforma Consolidated Financial Information included in Draft Red Herring Prospectus ('DRHP')

1. We have completed our assurance engagement to report on the compilation of proforma consolidated financial information of Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") by the management of the Parent Company. The proforma consolidated financial information consists of the proforma consolidated balance sheet as at 31 March 2021, the proforma consolidated statements of profit and loss for the year ended 31 March 2021 and related notes 1 to 5 of the proforma consolidated financial information. The Applicable Criteria on the basis of which the management of the Parent Company has compiled the proforma consolidated financial information are specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), as amended from time to time and described in note 2 of the proforma consolidated financial information.

2. The proforma consolidated financial information has been compiled by the management of the Parent Company to illustrate the impact of the acquisition of VitalCare Trading (UK) Limited together with its wholly owned subsidiaries VitalCare (Nanjing) Co. Limited and VitalCare Ltd ("VitalCare"), surgical haemostatic gelatine sponge business under the brand AbGel Business of Sri Gopal Krishna Labs Private Limited ("AbGel Business"), CareNow Medical Private Limited ("CareNow") (collectively the "Acquired Business") as set out in Note 2 to the proforma consolidated financial information on the Group's financial position as at 31 March 2021 as if the acquisition of Acquired Business had consummated on 31 March 2021 and its financial performance for the year ended 31 March 2021 as if the acquisition of Acquired Business had consummated on 1 April 2020.

3. As part of this process, information about the Group's financial position and financial performance has been extracted by the management of the Parent Company from the Group's restated consolidated summary statements for the year ended 31 March 2021, on which an examination report has been issued by us on 01 September 2021. The information about the financial position and financial performance of the Acquired Business has been extracted by the management of the Parent Company from:

    a) the audited consolidated financial statements of VitalCare for the year ended 31 March 2021, on which FLS Accounting Solutions Limited T/A SP Vinshaw, Chartered Accountants have issued an unmodified audit opinion on 16 August 2021;

    b) the audited special purpose carve out financial statements of AbGel Business for the year ended 31 March 2021, on which Mr. Jagdish Pritamlal Khokhani, Chartered Accountants have issued an unmodified audit opinion on 01 September 2021; and

c) the audited special purpose financial statements of CareNow for the year ended 31 March 2021, on which M/s. Accamma & Co, Chartered Accountants have issued an unmodified audit opinion on 31 August 2021.

Managements' responsibility for the Proforma Consolidated Financial Information

4. The management of the Parent Company is responsible for compiling the proforma consolidated financial information on the basis set out in note 2 to the proforma consolidated financial information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the proforma consolidated financial information on the basis set out in note 2 to the proforma consolidated financial information that is free from material misstatement, whether due to fraud or error. The management of the Parent Company is also responsible for identifying and ensuring that the Parent Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of proforma consolidated financial information.

Practitioners' responsibilities

5. Our responsibility is to express an opinion, as required by the SEBI Regulations, about whether the proforma consolidated financial information have been compiled, in all material respects, by the management of the Parent Company on the basis set out in Note 2 to the proforma consolidated financial information ("Applicable Criteria").

6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the management of the Parent Company has compiled, in all material respects, the proforma consolidated financial information on the basis set out in the Applicable Criteria.

7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / restated consolidated summary statements used in compiling the proforma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the proforma consolidated financial information. For our assurance engagement, we have placed reliance on the following:

    a. the restated consolidated summary statements of the Group for the year ended 31 March 2021 on which we have issued our examination report dated 01 September 2021;

    b. the audited consolidated financial statements of VitalCare for the year ended 31 March 2021;

    c. the audited special purpose carve out financial statements of AbGel Business for the year ended 31 March 2021; and

    d. the audited special purpose financial statements of CareNow for the year ended 31 March 2021.

8. The purpose of proforma consolidated financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at and for the year ended 31 March 2021 would have been as presented.

9. A reasonable assurance engagement to report on whether the proforma consolidated financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the management of the Parent Company in the compilation of the proforma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

   a. the related proforma adjustments give appropriate effect to those Applicable Criteria; and

   b. the proforma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information of the Group.

   The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the proforma consolidated financial information has been compiled, and other relevant engagement circumstances.

   The engagement also involves evaluating the overall presentation of the proforma consolidated financial information.

10. Our work has not been carried out in accordance with auditing and other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

11. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

12. In our opinion, the proforma consolidated financial information has been compiled, in all material respects, on the basis set out in the Note 2 to the proforma consolidated financial information.

Restrictions on use

13. This report should not in any way be construed as a reissuance or reauditing or re-examination of any of the previous audit reports issued by us or other auditors. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Bangalore in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 21213803AAAAEH7398

Place: Bengaluru, India
Date: 01 September 2021

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
Proforma Consolidated Balance Sheet as at 31 March 2021
(All amounts in INR Million, unless otherwise stated)

Particulars	Restated Consolidated Summary Statement of Assets and Liabilities of Healthium Medtech Limited as at 31 March 2021	Acquisitions Consolidated Balance Sheet of VitalCare as at 31 March 2021 (in GBP million)	Acquisitions Special Purpose carve-out Balance Sheet of AbGel as at 31 March 2021	Acquisitions Special Purpose Balance Sheet of CareNow as at 31 March 2021	Consolidated Balance Sheet of VitalCare as at 31 March 2021 (translated to INR million) (Note 1(1))	Intragroup eliminations adjustments (Note 3(a))	Acquisition adjustments (Note 3(b))	Total Proforma adjustments	Proforma Consolidated Balance Sheet of Healthium Medtech Limited as at 31 March 2021
	A	B	C	D	E	F	G	H = F + G	I = A + C + D + E + H
ASSETS									
Non-current assets									
Property, plant and equipment	1,094.20	0.52	1.40	95.46	52.62	-	-	-	1,243.68
Capital work in progress	54.46	-	-	-	-	-	-	-	54.46
Goodwill	1,224.92	-	-	-	-	-	1,122.47	1,122.47	2,347.39
Other intangible assets	162.58	-	0.20	11.32	-	-	2,180.65	2,180.65	2,354.75
Intangible assets under development	2.86	-	-	-	-	-	-	-	2.86
Right-of-use assets	449.97	0.08	-	-	7.56	-	-	-	457.53
Financial assets									
Investments	0.02	-	-	-	-	-	-	-	0.02
Loans	61.63	-	-	-	-	-	-	-	61.63
Other financial assets	65.43	-	-	0.39	-	-	-	-	65.82
Income tax assets (Net)	232.65	-	-	-	-	-	-	-	232.65
Deferred tax assets (Net)	196.95	-	-	-	-	-	-	-	196.95
Other non-current assets	49.61	-	-	-	-	-	-	-	49.61
	3,595.28	**0.60**	**1.60**	**107.17**	**60.18**	**-**	**3,303.12**	**3,303.12**	**7,067.35**
Current assets									
Inventories	1,287.21	0.98	6.62	84.84	98.66	29.87	-	29.87	1,507.20
Financial assets									
Investments	38.67	-	-	-	-	-	-	-	38.67
Trade receivables	1,096.43	0.81	6.83	24.21	81.51	(1.40)	-	(1.40)	1,207.58
Cash and cash equivalents	1,088.12	2.82	-	7.15	284.67	-	-	-	1,379.94
Loans	3.63	0.62	-	-	62.92	-	-	-	66.55
Bank balances other than cash and cash equivalents	130.53	-	-	5.58	-	-	-	-	136.11
Other financial assets	88.27	-	-	-	-	-	-	-	88.27
Other current assets	589.63	0.06	-	14.16	6.15	(32.24)	-	(32.24)	577.70
	4,322.49	**5.29**	**13.45**	**135.94**	**533.91**	**(3.77)**	**-**	**(3.77)**	**5,002.02**
Total assets	**7,917.77**	**5.89**	**15.05**	**243.11**	**594.09**	**(3.77)**	**3,303.12**	**3,299.35**	**12,069.37**
EQUITY AND LIABILITIES									
Equity									
Equity share capital	92.56	-	-	-	-	-	5.04	5.04	97.60
Capital of acquired business	-	4.07	12.86	179.51	410.90	-	(603.27)	(603.27)	-
Other equity	5,092.91	-	-	-	-	-	1,254.96	1,254.96	6,347.87
Total equity	**5,185.47**	**4.07**	**12.86**	**179.51**	**410.90**	**-**	**656.73**	**656.73**	**6,445.47**
Liabilities									
Non-current liabilities									
Financial liabilities									
Borrowings	762.98	-	-	1.84	-	-	1,213.56	1,213.56	1,978.38
Lease liabilities	305.95	0.05	-	-	5.43	-	-	-	311.38
Other financial liabilities	122.48	-	0.75	-	-	-	631.30	631.30	754.53
Provisions	2.22	-	-	0.53	-	-	-	-	2.75
Deferred tax liabilities (Net)	-	0.02	-	0.13	1.69	-	425.29	425.29	427.11
Other non-current liabilities	6.02	-	-	5.58	-	-	-	-	11.60
	1,199.65	**0.07**	**0.75**	**8.08**	**7.12**	**-**	**2,270.15**	**2,270.15**	**3,485.75**
Current liabilities									
Financial Liabilities									
Borrowings	202.24	0.45	-	43.72	45.76	-	-	-	291.72
Lease liabilities	70.26	0.03	-	-	2.59	-	-	-	72.85
Trade payables									
- total outstanding dues of micro and small enterprises	15.24	-	-	1.18	-	-	-	-	16.42
- total outstanding dues of creditors other than micro and small enterprises	663.55	0.34	1.44	3.87	34.40	(1.40)	-	(1.40)	701.86
Other financial liabilities	275.28	0.01	-	3.32	0.93	-	376.24	376.24	655.77
Other current liabilities	243.35	0.27	-	1.50	27.29	(2.37)	-	(2.37)	269.77
Provisions	50.02	-	-	0.63	-	-	-	-	50.65
Current tax liabilities (Net)	12.71	0.65	-	1.30	65.10	-	-	-	79.11
	1,532.65	**1.75**	**1.44**	**55.52**	**176.07**	**(3.77)**	**376.24**	**372.47**	**2,138.15**
Total liabilities	**2,732.30**	**1.82**	**2.19**	**63.60**	**183.19**	**(3.77)**	**2,646.39**	**2,642.62**	**5,623.90**
Total equity and liabilities	**7,917.77**	**5.89**	**15.05**	**243.11**	**594.09**	**(3.77)**	**3,303.12**	**3,299.35**	**12,069.37**

The above statement should be read with notes to the proforma consolidated financial information

For and on behalf of Board of Directors of
Healthium Medtech Limited

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 01/09/2021

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited)
Proforma Consolidated Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in INR Million, unless otherwise stated)

		Acquisitions							
Particulars	**Restated Consolidated Summary Statement of Profit and Loss of Healthium Medtech Limited for the year ended 31 March 2021**	**Consolidated Statement of Profit and Loss of VitalCare for the year ended 31 March 2021 (in GBP million)**	**Special Purpose carve-out Statement of Profit and loss of AbGel for the year ended 31 March 2021**	**Special Purpose Statement of Profit and Loss of CareNow for the year ended 31 March 2021**	**Consolidated Statement of Profit and Loss of VitalCare for the year ended 31 March 2021 (translated to INR million) (Note 1(1))**	**Intragroup eliminations adjustments (Note 3(a))**	**Acquisition adjustments (Note 3(b))**	**Total Proforma adjustments**	**Proforma Consolidated Statement of Profit and Loss of Healthium Medtech Limited for the year ended 31 March 2021**
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H = F + G**	**I = A + C + D + E + H**
INCOME									
Revenue from operations	7,133.57	33.37	65.57	435.00	3,259.36	(218.51)	-	(218.51)	10,674.99
Other income	94.77	0.03	0.33	1.61	3.32	-	-	-	100.03
Finance income	39.24	0.03	-	-	2.67	-	-	-	41.91
Total income	**7,267.58**	**33.43**	**65.90**	**436.61**	**3,265.35**	**(218.51)**	**-**	**(218.51)**	**10,816.93**
EXPENSES									
Cost of raw material and components consumed	1,480.33	2.63	7.77	232.32	257.29	(9.61)	-	(9.61)	1,968.10
Purchase of traded goods	1,228.11	21.84	-	-	2,132.95	(204.70)	-	(204.70)	3,156.36
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	(21.18)	(0.25)	3.02	(3.98)	(24.87)	-	-	-	(47.01)
Employee benefits expense	1,698.32	0.99	26.52	38.62	96.46	-	-	-	1,859.92
Finance costs	94.87	0.08	0.06	5.69	7.66	-	104.90	104.90	213.18
Depreciation and amortization expense	353.31	0.14	0.44	11.64	13.62	-	245.25	245.25	624.26
Other expenses	1,323.70	1.04	10.68	37.97	101.43	(4.20)	-	(4.20)	1,469.58
Total expenses	**6,157.46**	**26.47**	**48.49**	**322.26**	**2,584.54**	**(218.51)**	**350.15**	**131.64**	**9,244.39**
Profit before exceptional items and tax	**1,110.12**	**6.96**	**17.41**	**114.35**	**680.81**	**-**	**(350.15)**	**(350.15)**	**1,572.54**
Exceptional items	20.21	-	-	-	-	-	-	-	20.21
Profit before tax	**1,130.33**	**6.96**	**17.41**	**114.35**	**680.81**	**-**	**(350.15)**	**(350.15)**	**1,592.75**
Tax expense									
(1) Current tax	274.47	1.32	4.84	29.02	128.60	-	(48.73)	(48.73)	388.20
(2) Income tax credit pertaining to earlier period	(43.53)	-	-	-	-	-	-	-	(43.53)
(3) Deferred tax charge/(credit)	45.11	0.02	-	(0.10)	1.63	-	(26.77)	(26.77)	19.87
Income tax expense	**276.05**	**1.34**	**4.84**	**28.92**	**130.23**	**-**	**(75.50)**	**(75.50)**	**364.54**
Profit for the year	**854.28**	**5.62**	**12.57**	**85.43**	**550.58**	**-**	**(274.65)**	**(274.65)**	**1,228.21**
Other comprehensive income/(loss)									
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:									
Re-measurement gains/(losses) on defined benefit plans	3.34	-	-	0.03	-	-	-	-	3.37
Income tax effect on above	(0.69)	-	-	(0.01)	-	-	-	-	(0.70)
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss:									
Net exchange (losses)/gains on translation of foreign operations	(11.56)	-*	-	-	18.30	-	-	-	6.74
Income tax effect on above	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the year, net of tax	**(8.91)**	**-**	**-**	**0.02**	**18.30**	**-**	**-**	**-**	**9.41**
Total comprehensive income for the year, net of tax	**845.37**	**5.62**	**12.57**	**85.45**	**568.88**	**-**	**(274.65)**	**(274.65)**	**1,237.62**
Profit for the year attributable to equity holders of the parent	**854.28**	**5.62**	**12.57**	**85.43**	**550.58**	**-**	**(274.65)**	**(274.65)**	**1,228.21**
Total comprehensive income for the year attributable to equity holders of the parent	**845.37**	**5.62**	**12.57**	**85.45**	**568.88**	**-**	**(274.65)**	**(274.65)**	**1,237.62**
Earnings per equity share (Nominal value per share INR 2)									
Basic EPS (Note 3(c))	18.47								25.18
Diluted EPS (Note 3(c))	18.47								25.18

*Nil due to rounding-off and aggregated to £ 71.

The above statement should be read with notes to the proforma consolidated financial information

For and on behalf of Board of Directors of
Healthium Medtech Limited

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 01/09/2021

1 Background

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ("the Company" or "Parent Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. The Company, together with its subsidiaries (collectively, "the Group") is principally engaged in the business of production and marketing of a variety of Medical Devices comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology and wound care products with state of the art facilities. All these products are distributed to wholesalers, hospitals and retailers and used predominantly in the medical profession by surgeons, physicians, nurses, hospitals, nursing homes and clinics. The Company, together with its subsidiaries, sells its products globally.

On 22 June 2018, the Group had become a subsidiary of Quinag Acquisition (FDI) Ltd. ("the holding company" or "Quinag"'), which is ultimately held by Tummel HoldCo Ltd., Mauritius (indirectly owned by funds advised by Apax Partners LLP).

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 19 July 2021 and consequently the name of the Company has changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 4 August 2021.

Subsequent to year ended 31 March 2021, the Group has undertaken the following acquisitions in respect of which these proforma consolidated financial information is being prepared:

(1) On 1 July 2021, the Group through its subsidiary Clinisupplies Limited ("CSL") executed the share purchase agreement with the shareholders of VitalCare Trading (UK) Ltd ("VitalCare") to acquire the entire shareholding of VitalCare along with its subsidiaries Vital Care (Nanjing) Co. Limited, China and VitalCare Ltd, Ireland. VitalCare is engaged in the business of manufacturing and sales of white labelled urology and anal irrigation products. The total consideration payable by CSL to the shareholders of VitalCare are as follows:

- INR 807.26 million (£ 8 million) plus net cash and excess working capital of INR 282.54 million (£ 2.80 million), of which surplus asset of £ 0.60 million payable by CSL to the sellers on realisation of the loan by VitalCare.
- INR 126.14 million (£ 1.25 million) to be paid after completion of audit for the financial year ending 31 March 2022 on achievement of revenue targets outlined in the share purchase agreement. The present value of said consideration on 31 March 2021 is INR 111 million (£ 1.1 million).

CSL consummated the acquisition on 1 July 2021 by payment of INR 1,029.26 million (£ 10.2 million) representing INR 807.26 million (£ 8 million) upfront purchase consideration and INR 222.00 (£ 2.2 million) towards net cash and excess working capital as at closing. The payments are partly funded by INR 807.26 million (£ 8 million) loan from Quinag Acquisition (FDI) Ltd, the holding company, at an interest rate of 6.50% p.a. and the balance INR 222.00 million (£ 2.2 million) through internal funding.

The consolidated financial statements of VitalCare are presented in GBP ("£") and the management of the Parent Company has appointed an independent chartered accountant to translate the foreign currency from GBP to INR. For this purpose, the management of the Parent Company has used the £/ INR reference rate of 100.9078, being the closing rate as at 31 March 2021, for the proforma consolidated balance sheet and related proforma adjustments as at 31 March 2021 and of 97.6637, being the average rate for the proforma consolidated statement of profit and loss for the year ended 31 March 2021 and related proforma adjustments for the year ended 31 March 2021 included in the proforma consolidated financial information.

(2) On 26 May 2021, the Parent Company executed the Business Transfer Agreement ("BTA"), as amended on 9 July 2021 with Sri Gopal Krishna Labs Private Limited ("SGKL") and its shareholders to acquire the surgical haemostatic gelatine sponge business (the "AbGel Business") for a total consideration of INR 550 million as a going concern on a slump sale basis including its business assets, business liabilities, business know-how, contracts, permits, records, employees, any incorporeal assets. The total purchase consideration paid/ payable by the Parent Company to SGKL are as follows:

- INR 125 million on completion of conditions precedent to BTA paid on 12 July 2021;
- INR 375 million after receipt of zero balance certificate from banks paid on 31 July 2021;
- Balance payment of INR 50 million within in a period of 12 months from 31 July 2021, subject to adjustments, if any, as stated in BTA. The present value of said consideration on 31 March 2021 is INR 40.60 million.

The closing conditions stated in the BTA were consummated on 31 July 2021 and accordingly, effective this date the acquired business form part of the Parent Company. The acquisition of AbGel Business was funded by loan from Standard Chartered Investments and Loans India Limited of INR 374.80 million at an interest rate of 6.75% p.a. and from the Hongkong and Shanghai Banking Corporation Limited ("HSBC Bank") of INR 125.20 million at an interest rate of 7.1% p.a.

(3) On 26 August 2021, the Parent Company has acquired entire shareholding of CareNow Medical Private Limited ("CareNow"), which is engaged in the business of manufacturing infection control products, for purchase consideration comprising of:

- INR 1,260 million to be paid on the date of signing of share purchase agreement ("SPA") to all the equity shareholders of CareNow, subject to adjustments in relation to working capital and debts as stated in the SPA;
- INR 50 million to be paid on receipt of United States Food and Drug Administration ("USFDA") approval for "Theruptor" bandages within 12 months of the closing date payable to all the equity shareholders of CareNow;
- The Parent Company has entered into a Put and Call Option Agreement for purchase of Compulsorily Convertible Preference Shares ("CCPSs") held by the preference shareholders of CareNow, where the CCPS may be purchased by the Parent Company at Put/Call Price to be determined after expiry of three years from the closing date depending on the achievement of revenue and gross margin targets as defined in the Put and Call Option Agreement, provided however, the maximum Put/Call Price for the CCPSs will not exceed INR 1,740 million. In this regard, an independent valuer, considering the probability of achievement of revenue and gross margin targets and factoring the present value impact, has estimated liability of INR 479.70 million and the same has been considered as purchase consideration for business combination accounting.

The Parent Company consummated the acquisition on 31 August 2021 by payment of INR 1,260 million funded by issuance of own equity through rights issue to the shareholders of the Parent Company.

The proforma consolidated financial information are based on our restated consolidated financial information, consolidated financial statements of VitalCare and translation thereof, special purpose carve-out financial statements of the AbGel Business and special purpose financial statements of CareNow as adjusted to give effect to the Group's acquisition of these entities and businesses. The proforma consolidated statement of profit and loss for the year ended 31 March 2021 give effect to these transactions as if they had occurred on 1 April 2020 and the proforma consolidated balance sheet as on 31 March 2021 gives effect to these transactions as if they had occurred on 31 March 2021.

The assumptions and estimates underlying the adjustments to the proforma consolidated financial information are described hereinafter which should be read together with the proforma consolidated statement of profit and loss and proforma consolidated balance sheet.

The proforma consolidated financial information should be read together with the Group's restated consolidated financial statements and the historical consolidated financial statements of VitalCare together with translated financial information from foreign currency to INR, special purpose carve-out financial statements of AbGel Business and special purpose financial statements of CareNow.

2 Basis of preparation

The proforma consolidated financial information has been prepared by the management of the Group in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of material acquisitions, as mentioned in note 1 above, made after the date of the latest period for which financial information is disclosed in the Offer Document but before date of filing of such Offer Document. The proforma consolidated financial information have been prepared specifically for inclusion in the Offer Document to be filed by the Company with SEBI in connection with proposed Initial Public Offering ("IPO") through Offer for sale by selling shareholders and fresh issue of its equity shares.

The business combination has been accounted for under the acquisition method in accordance with Ind AS 103 'Business Combinations'. Accordingly, Group has provisionally allocated the purchase consideration to the estimated fair value of assets acquired and liabilities assumed and recognised the difference between purchase consideration and net assets as goodwill in the proforma consolidated balance sheet as at 31 March 2021.

The consolidated financial statements of VitalCare have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the special purpose carve-out financial statements of AbGel Business and special purpose financial statements of CareNow have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). In respect of VitalCare, the management of the Parent Company has assessed and concluded that no GAAP adjustments are required as accounting policies of VitalCare are consistent with the Group accounting policies.

The consolidated financial statements of VitalCare and the special purpose financial statements of CareNow were adopted by the Board of Directors of the respective entities as of 16 August 2021 and 31 August 2021 respectively. Further, the proforma consolidated financial information along with the consolidated financial statements of VitalCare, the special purpose financial statements of CareNow and the special purpose carve-out financial statements of AbGel Business were approved by the Board of Directors of the Parent Company on 1 September 2021.

The proforma consolidated balance sheet as at 31 March 2021 combine the Group's restated consolidated summary statement of assets and liabilities as at 31 March 2021, the consolidated balance sheet of VitalCare and the balance sheet of AbGel Business and CareNow as at 31 March 2021 as if the transaction occurred on 31 March 2021.

The proforma consolidated statement of profit and loss for the year ended 31 March 2021 combine the Group's restated consolidated summary statement of profit and loss for the year ended 31 March 2021, the consolidated statement of profit and loss of VitalCare and the statement of profit and loss of AbGel Business and CareNow for the year ended 31 March 2021 as if the transaction occurred on 1 April 2020.

The adjustments made to the proforma consolidated financial information are included in the subsequent notes.

The restated consolidated summary statement have been adjusted in the proforma consolidated financial information to give effect to the proforma events that are (1) directly attributable to such acquisitions and (2) factually supportable.

Because of their nature, the proforma consolidated financial information addresses a hypothetical situation and therefore, do not represent Group's factual financial position or results. Accordingly, the proforma consolidated financial information does not necessarily reflect what the Group's financial condition or results of operations would have been had the acquisitions occurred on the dates indicated and is also not intended to be indicative of expected financial position or results of operations in future periods. The actual balance sheet and statement of profit and loss may differ significantly from the proforma amounts reflected herein due to variety of factors.

The proforma adjustments are based upon available information and assumptions that the management of the Group believes to be reasonable. Such proforma consolidated financial information has not been prepared in accordance with generally accepted accounting principles including accounting standard and accordingly should not be relied upon as if it had been prepared in accordance with those principles and standards. Accordingly, the degree of reliance placed by anyone on such proforma consolidated information should be limited.

Further, such proforma consolidated financial information has not been prepared in accordance with standards and practices acceptable in any other jurisdiction and accordingly, should not be relied upon as if it had been carried out in accordance with standards and practices in any other jurisdiction. Accordingly, the degree of reliance placed by anyone on such proforma consolidated financial information should be limited. In addition, the rules and regulations related to the preparation of proforma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs above to prepare these proforma consolidated financial information.

The proforma consolidated financial information has been prepared taking into consideration:
a) the restated consolidated summary statement of the Group for the year ended 31 March 2021;
b) the consolidated financial statements of VitalCare for the year ended 31 March 2021 and translated financial information from foreign currency to INR (refer note 1(1));
c) the special purpose carve-out financial statements of AbGel Business for the year ended 31 March 2021;
d) the special purpose financial statements of CareNow for the year ended 31 March 2021;
e) adjustments to the proforma consolidated financial information arising from transactions between the Group and the acquired entities and business during the year ended 31 March 2021;
f) adjustments to recognise the impact of allocation of purchase consideration paid/payable by the Group;

3 Adjustments to proforma consolidated financial information

(a) Intragroup elimination adjustments:

This represents intragroup elimination adjustments in respect of transactions between the Group and the acquired business that have been eliminated from the proforma consolidated financial information in the respective periods.

Adjustments on account of intragroup transactions between the Group and VitalCare are as follows:

Particulars	As of and for the year ended 31 March 2021 (All amounts in INR million)
Proforma Consolidated Statement of Profit and Loss	
Decrease in revenue from operations	212.50
Decrease in cost of raw material and components consumed	7.80
Decrease in purchase of traded goods	204.70
Proforma Consolidated Balance Sheet	
Increase in inventories	29.87
Decrease in other current assets	32.24
Decrease in other current liabilities	2.37

Adjustments on account of intragroup transactions between the Group and CareNow are as follows:

Particulars	As of and for the year ended 31 March 2021 (All amounts in INR million)
Proforma Consolidated Statement of Profit and Loss	
Decrease in revenue from operations	6.01
Decrease in cost of raw material and components consumed	1.81
Decrease in other expenses	4.20
Proforma Consolidated Balance Sheet	
Decrease in trade receivable	1.40
Decrease in trade payable	1.40

(b) Acquisition adjustments:

The acquisitions have been recorded on the basis of Ind AS 103 Business Combinations.

<u>Summary of acquisition adjustments in proforma consolidated balance sheet as at 31 March 2021:</u>

(in INR million)

	On account of acquisition of			
Particulars	**VitalCare (Note I below)**	**AbGel (Note II below)**	**CareNow (Note III below)**	**Total**
Goodwill	416.54	48.54	657.39	1,122.47
Other intangible assets	494.45	479.20	1,207.00	2,180.65
	910.99	**527.74**	**1,864.39**	**3,303.12**
Equity share capital	-	-	5.04	5.04
Capital of acquired business	(410.90)	(12.86)	(179.51)	(603.27)
Other equity	-	-	1,254.96	1,254.96
Borrowings - non current	807.26	406.30	-	1,213.56
Other financial liabilities - non-current	111.00	40.60	479.70	631.30
Deferred tax liabilities	121.09	-	304.20	425.29
Other financial liabilities - Current (including current maturities of long-term borrowings)	282.54	93.70	-	376.24
	910.99	**527.74**	**1,864.39**	**3,303.12**

Summary of acquisition adjustments in proforma consolidated statement of profit and loss for the year ended 31 March 2021:

(in INR million)

	On account of acquisition of			
Particulars	**VitalCare (Note I below)**	**AbGel (Note II below)**	**CareNow (Note III below)**	**Total**
Expenses				
Finance costs	67.61	37.29	-	104.90
Depreciation and amortization expense	77.70	49.43	118.12	245.25
	145.31	**86.72**	**118.12**	**350.15**
Tax expense				
Current tax	(9.97)	(38.76)	-	(48.73)
Deferred tax charge/(credit)	(14.76)	17.72	(29.73)	(26.77)
	(24.73)	**(21.04)**	**(29.73)**	**(75.50)**

Details of the above-mentioned adjustments are as below:

I. Acquisition of VitalCare

The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	**Amount**	
	(in GBP million)	**(in INR million)**
Purchase consideration (including net cash, working capital adjustment and present value of earn-out consideration)	**11.90**	**1,200.80**
Assets acquired	5.89	594.09
Liabilities assumed	(1.82)	(183.19)
Fair value of specified intangibles (refer note (i) below)	4.90	494.45
Deferred tax liabilities on intangibles	(1.20)	(121.09)
Goodwill	4.13	416.54

Purchase consideration have been allocated to assets and liabilities considering respective fair value as determined by an independent valuation expert on provisional basis. Accordingly:

(i) Customer relationships amounting to INR 373.36 million (£ 3.70 million) and non-compete amounting to INR 121.09 million (£ 1.20 million) valued by an independent valuer cumulatively amounting to INR 494.45 million (£ 4.90 million), has been recognised under the head 'Other intangible assets' in the proforma consolidated balance sheet as at 31 March 2021. Further the Group has estimated following useful life of the specified intangibles:

Intangibles	**Years**
Customer relationships	10
Non-compete	3

The cumulative amortisation expense amounting to INR 77.70 million for the year ended 31 March 2021 has been included in the proforma consolidated statement of profit and loss for the year ended 31 March 2021;

(ii) Deferred tax liabilities amounting to INR 121.09 million (£ 1.20 million) has been recorded as at 31 March 2021 on the specified intangibles. Further, reversal of deferred tax liabilities of INR 14.76 million relating to amortisation of intangibles has been considered for in the proforma consolidated statement of profit and loss for the year ended 31 March 2021;

(iii) The Capital of acquired business amounting to INR 410.90 million (£ 4.07 million) i.e., difference between the assets acquired and liabilities assumed, has been reversed as part of the business combination accounting, in the proforma consolidated balance sheet as at 31 March 2021;

(iv) Goodwill of INR 416.54 million (£ 4.13 million) representing the excess of the aggregate of the estimated purchase consideration over the fair value of the net assets (including intangibles) acquired has been recognised as at 31 March 2021;

(v) Recognised deferred consideration of INR 111 million (£ 1.1 million) (refer note 1(1));

(vi) Recognised current financial liabilities of INR 282.54 million arising on account of net cash and excess working capital towards purchase consideration (refer note 1(1));

(vii) Finance cost amounting to INR 52.47 million and benefit of current tax of INR 9.97 million has been recorded in the proforma consolidated statement of profit and loss for the year ended 31 March 2021 assuming that CSL has taken the loan of INR 807.26 million (£ 8 million) from Quinag Acquisition (FDI) Ltd at the beginning of the year to fund the acquisition. Additionally, finance cost amounting to INR 15.14 million has been recorded in the proforma consolidated statement of profit and loss for the year ended 31 March 2021 arising on account of unwinding of deferred earn-out consideration.

For the purpose of proforma consolidated balance sheet, the management of the Parent Company has assumed that the borrowings are made on 31 March 2021. However, for the purpose of current and non-current classification of the borrowings in the proforma consolidated balance sheet, the management of the Parent Company has considered the repayment terms as per the loan agreement.

II. Acquisition of AbGel Business

The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	**Amount (in INR million)**
Purchase consideration (including present value of earn-out consideration)	**540.60**
Assets acquired	15.05
Liabilities assumed	(2.19)
Fair value of specified intangibles (refer note (i) below)	479.20
Goodwill	48.54

Purchase consideration have been allocated to assets and liabilities considering respective fair value as determined by an independent valuation expert on provisional basis. Accordingly:

(i) Brand amounting to INR 472.80 million and customer relationships amounting to INR 6.40 million valued by an independent valuer cumulatively amounting to INR 479.20 million, has been recognised under the head 'Other intangible assets' in the proforma consolidated balance sheet as at 31 March 2021. Further the Group has estimated following useful life of the specified intangibles:

Intangibles	**Years**
Brand	10
Customer relationships	3

The cumulative amortisation expense amounting to INR 49.43 million, benefit of current tax of INR 30.16 million and deferred tax charge of INR 17.72 million for the year ended 31 March 2021 has been included in the proforma consolidated statement of profit and loss for the year ended 31 March 2021;

(ii) The Capital of acquired business amounting to INR 12.86 million i.e., difference between the assets acquired and liabilities assumed, has been reversed as part of the business combination accounting, in the proforma consolidated balance sheet as at 31 March 2021;

(iii) Goodwill of INR 48.54 million representing the excess of the aggregate of the estimated purchase consideration over the fair value of the net assets (including intangibles) acquired has been recognised as at 31 March 2021;

(iv) Recognised deferred consideration of INR 40.60 million (refer note 1(2));

(v) Finance cost amounting to INR 34.19 million and benefit of current tax of INR 8.60 million has been recorded in the proforma consolidated statement of profit and loss for the year ended 31 March 2021 assuming that the Parent Company has taken the loan of INR 374.80 million from Standard Chartered Investments and Loans (India) Limited and INR 125.20 million from HSBC Bank at the beginning of the year to fund the acquisition. Additionally, finance cost amounting to INR 3.10 million has been recorded in the proforma consolidated statement of profit and loss for the year ended 31 March 2021 arising on account of unwinding of deferred earn-out consideration.

For the purpose of proforma consolidated balance sheet, the management of the Parent Company has assumed that the borrowings are made on 31 March 2021. However, for the purpose of current and non-current classification of the borrowings in the proforma consolidated balance sheet, the management of the Parent Company has considered the repayment terms as per the loan agreements.

III. Acquisition of CareNow

The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	**Amount (in INR million)**
Purchase consideration *	**1,739.70**
Assets acquired	243.11
Liabilities assumed	(63.60)
Fair value of specified intangibles (refer note (i) below)	1,207.00
Deferred tax liabilities on intangibles	(304.20)
Goodwill	657.39

* Purchase consideration of INR 50 million payable as deferred consideration upon receipt of USFDA approvals is not considered as the probability and timing of such approvals are highly uncertain as on the Closing Date and therefore, reliable estimates cannot be made. The management of the Parent Company would consider to account this when uncertainties for USFDA approval is resolved.

Purchase consideration have been allocated to assets and liabilities considering respective fair value as determined by an independent valuation expert on provisional basis. Accordingly:

(i) Brand amounting to INR 482.00 million, Intellectual Property ("IP") Theruptor amounting to INR 557.00 million, IP Others amounting to INR 8.50 million and non-compete amounting to INR 159.50 million valued by an independent valuer cumulatively amounting to INR 1,207.00 million, has been recognised under the head 'Other intangible assets' in the proforma consolidated balance sheet as at 31 March 2021. Further the Group has estimated following useful life of the specified intangibles:

Intangibles	**Years**
Brand	10
IP - Theruptor	12
IP - Others	12
Non-compete	7

The cumulative amortisation expense amounting to INR 118.12 million and deferred tax credit of INR 29.73 million for the year ended 31 March 2021 has been included in the proforma consolidated statement of profit and loss for the year ended 31 March 2021;

(ii) The Capital of acquired business amounting to INR 179.51 million i.e., difference between the assets acquired and liabilities assumed, has been reversed as part of the business combination accounting, in the proforma consolidated balance sheet as at 31 March 2021;

(iii) Goodwill of INR 657.39 million representing the excess of the aggregate of the estimated purchase consideration over the fair value of the net assets (including intangibles) acquired has been recognised as at 31 March 2021;

(iv) In respect of payment of initial consideration of INR 1,260 million to all the equity shareholders of CareNow, the Parent Company has issued 2,520,000 equity shares through rights issue of face value of INR 2 each to the shareholders of the Parent Company on 26 August 2021. Such issue of equity shares have been considered to be issued on 31 March 2021 for the purpose of proforma consolidated financial information;

(v) Recognised contingent consideration of INR 479.70 million (refer note 1(3)).

The goodwill and other acquisition related adjustments computed in case of acquisition of the above entities and business are based on purchase price allocation ("PPA") available with the Group as at 31 March 2021 assessed on a provisional basis. The final PPA will be determined when the Group has completed detailed valuations and necessary calculations. The final allocation could differ materially from the provisional allocation used in proforma adjustments. The final allocation may include (1) changes in fair values of property, plant and equipment, (2) changes in allocations to specified intangible assets as well as goodwill and (3) other changes to assets and liabilities. Adjustment, resulting from changes in PPA, shall be carried out in the consolidated financial statements of the Group for the year ending 31 March 2022.

(c) Earnings per share (EPS):

Proforma basic EPS calculation for the year ended 31 March 2021 has been based on proforma consolidated statement of profit and loss for the year and the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as rights issue that have changed the number of equity shares outstanding.

For the purpose of calculating diluted earnings per share, proforma consolidated statement of profit and loss and the weighted average number of shares outstanding during the year is adjusted for the effect of all potentially dilutive equity shares.

4 Use of proceeds of the proposed initial public offering

Even though one of the objects of the proposed initial public offering is to repay a part of the debt, since the proforma consolidated financial information has been prepared for purposes of illustrating the hypothetical impact of the acquisition of VitalCare, AbGel Business and CareNow, no adjustment has been made for the use of proceeds or related transaction costs.

5 Other than as mentioned above, no additional adjustments have been made to the proforma consolidated balance sheet or the proforma consolidated statement of profit and loss to reflect any impact of subsequent events after 31 March 2021.

For and on behalf of Board of Directors of
Healthium Medtech Limited

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 01/09/2021

Company Registration No. 04687240 (England and Wales)

VITALCARE TRADING (UK) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Vitalcare Trading (UK) Ltd
Company Information

Directors	Mr Paul Cook Mr Lewis Norman Calcutt Mr Samik Basu
Company Number	04687240
Registered Office	36 The Metro Centre, Dwight Road Watford, England WD18 9SB
Auditor	FLS Accounting Solutions Limited Sp Vinshaw, Unit 36, Quorum House, Dwight Road Watford, England WD18 9SB
Business Address	36 The Metro Centre, Dwight Road Watford, England WD18 9SB

Vitalcare Trading (UK) Ltd
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Vitalcare Trading (UK) Ltd
Strategic Report
For The Year Ended 31 March 2021

The directors present the strategic report for the year ended 31 March 2021.

Review of the Business
We have undertaken a detailed and balanced review of the company's financial performance during the year and its financial position at the year-end. While the past year has witnessed unprecedented challenges in the wake of Covid-19, the business review depicts a healthy and sustainable result prevalent in a typical small-size business. The company is growing in a mature market place with a forward outlook demonstrating the application of an established set of policies that continues to grow in terms of sales and gross profit. The company has an established presence in the healthcare sector and its the primary activities include sales, marketing and manufacturing of white labelled Urology and Anal Irrigation products into the UK and other regulated markets.

The business is rather non-complex and the inherent risks and uncertainties we face are managed in a systematic and rationale manner.

As with most businesses, the past year has seen tremendous challenges with high demand volatility from Covid-19, coupled with logistics issues surrounding Brexit. The company has continued to support business across UK through supplying urology products for use in Covid wards and the community. The Board has also used this opportunity to invest further for growth of the business by undertaking a detailed strategic review of operations and investing in key areas that will lower long term operating costs. Investments in New Product Development has continued apace to ensure sustained future growth.

The profit and loss statement presented indicates that the group's sales have increased by 630% during the current year and the profit after taxes for the current year ended 31 March 2021 is £5.64 million (31 March 2020: £0.64 million). The company received certain one off orders for supply of PPE that has helped improve turnover in a challenging year. The strong balance sheet is also commendable with healthy reserves of £4.07 million as at 31 March 2021 (31 March 2020: £0.60 million).

Principal risks and uncertainties
The principal risks to which the group is exposed are changes to local healthcare reimbursement systems, liquidity risk, foreign currency, regulatory and debtor-credit risk. Utilising a number of established management board approved policies to mitigate risks, the Company has invested in regulatory personnel to support and manage both market changes and regulatory compliance. Additionally, the company utilises expertise and consultancy in highly specialized areas to strengthen its finances. None of the group application of financial policies is intended to serve any speculative motives (such as the use of aggressive derivative instruments).

Key Performance Indicators
The company uses KPIs on a monthly basis to monitor and manage the performance of the business compared to annual budgets. Some of the key KPI's looked at are gross margin, operating profit, profit before tax, EBITDA % and net assets against budgets. All department operating expenditures are tracked and reported through cost centres, comparing actuals against budgets and previous year actuals. In addition to the above, we prepare monthly KPI reports for Sales, Marketing, Supply Chain and Regulatory functions. These reports have targeted KPIs which are linked to overall company performance targets.

The Directors consider the following as Key Performance Indicators:

		2021		2020
		£		£
Turnover	£	33,434,584	£	4,581,359
Gross Profit	£	9,215,016	£	2,623,716
Profit before tax	£	6,970,891	£	789,578
Profit after tax	£	5,637,402	£	644,010
Net Assets	£	4,071,992	£	600,589
Quick Ratio		2.47		0.46
EBITDA Margin		21.3%		20.1%

Despite the challenges of Covid-19, the Company is in good financial health as at the year end with healthy reserves to allow the company to seize opportunities that may arise.

The directors have considered the impact of the pandemic on the Company's financial position and are of the opinion that the pandemic will not have a material impact on future trading performance and its financial position.

On behalf of the board

Mr P Cook
Director

16th August 2021

Vitalcare Trading (UK) Ltd
Directors' Report
For The Year Ended 31 March 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities
The principal activity of the Company is manufacturing and sales of white labelled Urology and Anal Irrigation products into the UK and other regulated markets

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Paul Cook (appointed 1st July 2021)
Mr Lewis Norman Calcutt
Mr Samik Basu (appointed 1st July 2021)

Results and dividends
The results for the year are set out on page 8.

The directors do not recommend payment of dividend.

Auditor
The auditor, FLS Accounting Solutions Limited, were appointed during the period and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of Disclosure to Auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr P Cook
Director

16th August 2021

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that the director:

- properly selects and applies accounting policies;
- presents information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provides additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- makes an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of Vitalcare Trading (UK) Ltd and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted in the EU.

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2021 and of its profit for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other Information

The director is responsible for the other information. The other information comprises the information in the Directors' Report but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the director is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities including fraud is detailed below:-

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- obtaining an understanding of the policies and procedures including internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations in order to design audit procedures that are appropriate in the circumstances (but not for the purpose of expressing an opinion on the effectiveness of the group's internal control)

To address the risk of fraud through management bias and override of controls, we:

- identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in relation to income recognition were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view);

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the group's legal advisors; and

- Concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve collusion, forgery, deliberate concealment and omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sadikali Gulanabas Premji (Senior Statutory Auditor)
for and on behalf of
FLS Accounting Solutions Limited T/A SP Vinshaw
Chartered Accountants

16th August 2021

Unit 36, Quorum House, Dwight Road
Watford, England
WD18 9SB

Vitalcare Trading (UK) Ltd

Statement of Financial Position as at 31 March 2021

	Notes	Group		Company	
		As at 31 March 2021 GBP	**As at 31 March 2020 GBP**	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**
Assets					
Non-current assets					
Property, plant and equipment	3	521,454	481,725	90,638	576
Right-of-use assets	4	74,920	102,688	-	-
Financial assets					
Investments	5	-	-	1,397,015	783,788
		596,374	**584,413**	**1,487,653**	**784,364**
Current assets					
Inventories	6	977,714	1,118,419	415,472	160,847
Financial assets					
Loans	5	623,521	-	902,166	572,685
Trade receivables	7	807,739	368,717	607,006	289,834
Cash and cash equivalents	8	2,821,055	143,639	2,693,371	18,685
Other financial assets	5	-	1,066	-	1,066
Other non-financial assets	9	61,002	358,006	10,712	315,758
		5,291,032	**1,989,848**	**4,628,727**	**1,358,875**
Total assets		**5,887,405**	**2,574,260**	**6,116,380**	**2,143,239**

	Notes	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**
Equity and liabilities					
Equity					
Equity share capital	10	100	100	100	100
Other equity	11	4,071,892	600,489	4,426,274	789,599
Equity attributable to equity holders of the parent		**4,071,992**	**600,589**	**4,426,374**	**789,699**
Non-controlling interests		-	-	-	-
Total equity		**4,071,992**	**600,589**	**4,426,374**	**789,699**
Non-current liabilities					
Financial liabilities					
Lease liabilities	5	53,799	82,132	-	-
Deferred tax liabilities (Net)		16,710	-	16,710	-
		70,509	**82,132**	**16,710**	**-**
Current Liabilities					
Financial liabilities					
Borrowings	12	453,452	677,038	453,452	677,038
Lease liabilities	4	25,696	23,762	-	-
Trade payables	13	340,913	551,256	382,517	81,535
Other financial liabilities	14	9,208	-	9,208	-
Other non-financial liabilities	15	915,635	639,483	828,117	594,966
		1,744,904	**1,891,538**	**1,673,295**	**1,353,539**
Total liabilities		**1,815,413**	**1,973,670**	**1,690,005**	**1,353,539**
Total equity and liabilities		**5,887,405**	**2,574,260**	**6,116,380**	**2,143,239**

Summary of significant accounting policies 1-2

The accompanying notes are an integral part of the financial statements.

These financial statements were approved by Board of Directors and authorised for issue on 16th August 2021 and were signed on its behalf by

Mr P Cook
Director

Mr S Basu
Director

Date: 16th August 2021

Vitalcare Trading (UK) Ltd
Statement of Profit and loss for the year ended 31 March 2021

	Notes	Group		Company	
		Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
		GBP	GBP	GBP	GBP
Revenue from operations	16	33,373,252	4,544,841	31,448,066	2,843,905
Other income	17	33,999	36,519	46,424	7,075
Finance income	18	27,333	-	27,333	-
Total income		**33,434,584**	**4,581,359**	**31,521,824**	**2,850,981**
Expenses					
Cost of raw material and components consumed	19	2,634,431	1,920,794	-	-
Purchase of traded goods	19	21,839,762	147,696	24,206,624	2,012,568
Net decrease in inventories of finished goods, work-in-progress and trade	19	(254,625)	(110,847)	(254,625)	(110,847)
Employee benefits expense	20	987,647	919,809	18,293	16,800
Depreciation and amortization expense	21	139,478	122,132	6,343	144
Finance costs	23	78,421	20,708	70,941	11,715
Other expenses	22	1,038,580	771,489	338,014	149,181
Total expenses		**26,463,693**	**3,791,781**	**24,385,590**	**2,079,561**
Profit before tax		**6,970,891**	**789,578**	**7,136,234**	**771,419**
(1) Current tax	24	1,316,779	145,568	1,316,779	145,568
(2) Deferred tax	24	16,710	-	16,710	-
Income tax expense		**1,333,489**	**145,568**	**1,333,489**	**145,568**
Profit for the year		**5,637,402**	**644,010**	**5,802,745**	**625,851**
Other comprehensive income:					
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Net exchange differences on translation of foreign operations		71	(438)	-	-
		71	(438)	-	-
Other comprehensive income/(loss) for the year, net of tax		71	(438)	-	-
Attributable to owners of the Company:					
Total comprehensive income for the year, net of tax		**5,637,472**	**643,572**	**5,802,745**	**625,851**

Summary of significant accounting policies 1-2

The accompanying notes are an integral part of the financial statements.

Vital Trading (UK) Ltd
Statement of Cash Flows for the year ended 31 March 2021

	Notes	Group		Company	
		Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
		GBP	GBP	GBP	GBP
Cash flows from operating activities					
Profit before tax		6,970,891	789,578	**7,136,234**	**771,419**
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment		114,155	96,403	6,343	144
Depreciation on Right of use asset		25,323	25,728	-	-
Interest income		(27,333)	-	(27,333)	-
Interest expense		69,564	8,261	63,252	-
Bad debts written off/back		8,240	-	968	-
Other income (Rent concession)		(15,112)			
Working capital adjustments:					
(Increase)/decrease in trade receivables		(447,263)	(18,009)	(318,140)	60,874
(Increase)/decrease in inventories		140,705	(454,765)	(254,625)	(110,847)
(Increase)/decrease in loans		(623,521)	175,000	(329,481)	(397,685)
(Increase)/decrease in other financial assets		1,066	56,119	1,066	(1,066)
(Increase)/decrease in other non-financial assets		297,004	(226,065)	305,046	(315,758)
Increase/(decrease) in other non-financial liabilities		(94,663)	(193,126)	(137,664)	149,553
Increase / (decrease) in other financial liabilities		9,208	-	9,208	-
Increase/(decrease) in trade payables		(210,343)	(51,939)	300,982	(73,067)
		6,217,920	207,185	6,755,855	83,568
Income tax paid		(945,964)	128,775	(945,964)	128,775
Net cash flows from operating activities (A)		**5,271,957**	**335,960**	**5,809,891**	**212,343**
Cash flows from investing activities					
Investment in subsidiary		-	-	(613,227)	-
Purchase of property, plant and equipment		(152,397)	(118,680)	(96,405)	-
Interest received		27,333	-	27,333	-
Net cash flows used in investing activities (B)		**(125,063)**	**(118,680)**	**(682,298)**	**-**
Cash flows from financing activities					
Interest paid		(69,564)	(8,261)	(63,252)	-
Repayment of lease liability		(15,112)	(30,641)	-	-
Issuance/(Repayment) of borrowings		(223,585)	405,736	(223,585)	405,736
Dividends paid to equity share holders		(2,166,070)	(746,500)	(2,166,070)	(746,500)
Net cash flows used in financing activities (C)		**(2,474,331)**	**(379,666)**	**(2,452,907)**	**(340,764)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**2,672,562**	**(162,387)**	**2,674,686**	**(128,422)**
Cash and cash equivalents at the beginning of the year		143,639	297,033	18,685	147,107
Effect of currency translation on cash and cash equivalents		4,854	8,993		
Cash and cash equivalents at year end (Refer note 8)		**2,821,055**	**143,639**	**2,693,371**	**18,685**

The accompanying notes are an integral part of the financial statements.

Vital Trading (UK) Ltd
Statement of Changes in Equity for the year ended 31 March 2021

a. **Equity share capital**
Issued and fully paid

	No.	GBP
Ordinary shares of £1 each		
At 1 April 2019	100	100
At 31 March 2020	**100**	**100**
At 31 March 2021	**100**	**100**

b. **Other equity**

For the year ended 31 March 2020 **(in GBP)**

Group	Reserves and Surplus	OCI	Total other equity
	Retained Earnings (Note 12)	Exchange differences on translating the financial statements of a foreign operation	
As at 1 April 2019	**668,280**	**35,137**	**703,417**
Profit for the year	644,010	-	**644,010**
Other comprehensive income			
Net exchange differences on translation of foreign operations	-	(438)	**(438)**
Total comprehensive income	**644,010**	**(438)**	**643,572**
Dividends	(746,500)	-	**(746,500)**
At 31 March 2020	**565,791**	**34,699**	**600,489**

For the year ended 31 March 2021 **(in GBP)**

Group	Reserves and Surplus	OCI	Total other equity
	Retained Earnings (Note 12)	Exchange differences on translating the financial statements of a foreign operation	
As at 1 April 2020	**565,791**	**34,699**	**600,489**
Profit for the year	5,637,402		**5,637,402**
Other comprehensive income			
Net exchange differences on translation of foreign operations	-	71	**71**
Total comprehensive income	**5,637,402**	**71**	**5,637,472**
Dividends	(2,166,070)	-	**(2,166,070)**
At 31 March 2021	**4,037,122**	**34,769**	**4,071,892**

For the year ended 31 March 2020 **(in GBP)**

Company	Reserves and Surplus	OCI	Total other equity
	Retained Earnings (Note 12)	Exchange differences on translating the financial statements of a foreign operation	
As at 1 April 2019	**910,248**	-	**910,248**
Profit for the year	625,851	-	**625,851**
Total comprehensive income	**625,851**	-	**625,851**
Dividends	(746,500)	-	**(746,500)**
At 31 March 2020	**789,599**	-	**789,599**

Vital Trading (UK) Ltd

Statement of Changes in Equity for the year ended 31 March 2021

For the year ended 31 March 2021 **(in GBP)**

Company	Reserves and Surplus	OCI	Total other equity
	Retained Earnings (Note 12)	Exchange differences on translating the financial statements of a foreign operation	
As at 1 April 2020	**789,599**	-	**789,599**
Profit for the year	5,802,745	-	**5,802,745**
Total comprehensive income	**5,802,745**	-	**5,802,745**
Dividends	(2,166,070)	-	**(2,166,070)**
At 31 March 2021	**4,426,274**	-	**4,426,274**

The accompanying notes are an integral part of the financial statements.

1 (a) Corporate information

Vitalcare Trading (UK) Ltd ("the Company" or "Parent Company") is a private company limited by shares incorporated in England and Wales. Vitalcare is in manufacturing and sales of white labelled Urology and Anal Irrigation products . The consolidated financial statements comprises of IFRS financial statements of Vitalcare Trading (UK) Ltd and its subsidiary (collectively, the Group) for the year ended 31 March 2021. The registered office is 36 The Metro Centre, Dwight Road Watford, England WD18 9SB. The financial statements were authorised for issue in accordance with a resolution of the directors on 16 August, 2021.

For all periods up to and including the year ended March 31, 2020, the Group prepared its financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 which was the previous GAAP. Refer Note 26 for information on how the Group adopted IFRS.

These financial statements are the Group's first IFRS financial statements. The Group has adopted all the IFRS standards and the adoptions are carried out in accordance with IFRS 1-First time adoption of Accounting Standards and as endorsed by the European Union (EU)

1 (b) Group Information:

The consolidated financial statements of the Group includes subsidiary listed in the table below:

Name	Country of incorporation	Ownership held by	Principal activities	% ownership interest
Vitalcare (Nanjing) Co, Ltd (Wholly Owned Foreign Enterprise (WOFE))	China	Vitalcare Trading (UK) Ltd	Manufacture of urology, anal irrigation and	100%

1 (c) COVID -19

The Group has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, up to the date of approval of these IFRS financial statements, in determining the possible impact from the COVID-19 pandemic. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these IFRS financial statements and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

2 Significant accounting policies

2.1 Basis of preparation and statement of compliance

The accompanying financial statements for both Group and Company have been prepared on a historical cost basis. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and in compliance with the requirements of the Companies Act 2006. The director has assessed the ability of the Company and the Group to continue operating as a going concern and believes that the preparation of these financial statements on the going concern basis is appropriate.

The preparation of the financial statements, in accordance with IFRS as endorsed by the EU, requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to financial statements are disclosed below.

The financial statements are presented in Sterling (£) the functional currency of the Group, except otherwise indicated.

2.2 Basis of consolidation

(i) Subsidiaries

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany balances, transactions, unrealized gains and losses resulting from intercompany transactions and dividends are eliminated in full on consolidation. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its Power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.
Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(ii) Going concern

Based on all available information about the future, including the impact of COVID-19 pandemic, the director considers that there are no material uncertainties that may cause significant doubt about the company's ability to continue as a going concern; covering such period as he considers appropriate. Director's expectations are based on a business plan prepared for a period of 18 months, since the review period covers a period of at least twelve months from the date of approval of annual financial statements.
The director considers that the Group has considerable financial and other resources to manage its business risks successfully, as it has a diverse range of businesses across different geographical areas and remains financially strong. Moreover, the director has a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the accompanying financial statements are as follows:

a. Business combinations and goodwill

The Group has elected to avail exemption under IFRS 1 which permits a first-time IFRS adopter to elect not to apply IFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to IFRS). Accordingly, the Group has elected to measure all assets and liabilities arising out of business combinations that occurred before the date of transition to IFRS at their Previous GAAP carrying values.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized either in the profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

b. Foreign currencies

The Company's functional currency is Sterling.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and

d. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. To recognize revenues, the Group applies following five step approach:
(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.
Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the services rendered:

i. *Sale of products*
Revenue on product sales are recognized when the customer obtains control of the specified asset. Revenue is recognised at consideration received net of VAT and trade discount.

ii. *Rendering of Services*
Service income is recognised as per the terms of the contracts/arrangements when Revenues and costs relating to time and materials, transaction-based or volume-based contracts are recognized as the related services are rendered and is stated net of Value Added Tax (VAT).

iii. *Interest income*
Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

iv. *Others*
- The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Group may be entitled.

- Revenues are shown net of allowances/ returns, value added tax, goods and services tax and applicable discounts and allowances. Revenue includes excise duty.

- The Group the estimated cost of warranties at the time when the revenue is recognized. The accruals are based on the Group's historical experience of material usage and service delivery costs.

- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

The Group may enter into arrangements with third party suppliers to resell products or services. In such cases, the Group evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Group first evaluates whether it controls the good or service before it is transferred to the customer. If the Group controls the good or service before it is transferred to the customer, it is the principal; if not, it is agent.

e. **Income taxes**

Current Income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

• Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

• Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

Value Added Tax

Expenses and assets are recognized net of the amount of value added tax, except:

• When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

• When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

f. **Property, plant and equipment**

On transition to IFRS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost of the property, plant and equipment includes the purchase price of the asset and all necessary expenditures to prepare the asset for its intended use. Repair and maintenance costs are recognized in the income statement as incurred. Significant improvements are capitalized to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset Category	**Estimated useful life**
Leasehold Building	Amortised on a straight-line basis over the period of the lease
Computer equipment	25%-40% reducing balance method
Vehicles	8 to 10 years
Plant & machinery	15 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

g. **Leases**

Where the Group is a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to paragraph 2.3 (k) of the accounting policies for impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

h. Inventories

Raw materials and components are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a First in First Out (FIFO) basis.

Work-in -progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash , trade and other receivables and loans and other receivables.

Subsequent measurement- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the
effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(ii) Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings

Subsequent measurement - Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

• Using recent arm's length market transactions
• Reference to the current fair value of another instrument that is substantially the same
• A discounted cash flow analysis or other valuation models

j. Impairment of assets

Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows
that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Group tests for impairment using the ECL model for financial assets such as trade receivables to be settled in cash.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. Life time ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected in a separate line under the head 'other expenses' in the statement of profit and loss account. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

k. Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all potentially dilutive securities.

m. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and on hand.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

o. Share capital

Share capital represents the par value of the Company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as the "share premium" in shareholders' equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction from the proceeds in equity, net of tax.

p. Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity along with related taxes.

q. Retirement and other employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

r. Recent Pronouncements on new accounting standards issued but not effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

Amendments	Effective for annual
Amendment to IFRS 16 'Leases' – Covid-19 related rent concessions beyond	April, 2021
Reference to the Conceptual Framework – Amendments to IFRS 3	January, 2022
Property, Plant and Equipment: Proceeds before Intended Use –	January, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January, 2022
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January, 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	January, 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	January, 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS	January, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS	January, 2023
IFRS 17 - Insurance contracts	January, 2023

There are no new standards, amendments to existing standards or interpretations that are not yet effective and would be expected to have a material impact to the Group.

2.4 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Valuation of receivables
Valuation of receivables is based upon ongoing assessments of the probable estimated losses inherent in the receivables portfolio. Assessments are conducted by the board employing a methodology and guidelines, which are continually monitored and improved. The primary component of this methodology comprises specific allowances and collective allowances.
A receivable is subject to impairment test when valid indications exist, at the assessment date, which demonstrate that the customer will not be able to meet his obligations and/or when the flow of receipts decelerates over time. Usually such indications include failure of communication with the customers and indications of significant financial difficulty.
Amounts individually provided for concern claims evaluated individually for impairment based upon management's best estimate of the present value of the cash flows which are expected to be received.
In assessing the need for collective allowance, management considers receivables in arrears over 121 days but excludes receivables for which there are valid indications that they will be collected.
The accuracy of provisions depends on the accuracy of future cash flows for specific allowances and the model assumptions and parameters used in determining collective allowances. While this necessarily involves judgement, Management believes that their provisions are reasonable and supportable.

Assets impairment
The Company reviews on an annual basis the carrying amounts of investments, tangible assets and intangible assets, in order to determine if there is an indication of impairment. If any such indication exists an impairment review is carried out in order to determine the extent of the impairment loss.

Useful lives of depreciable tangible and intangible assets
The Company's management assesses the estimated useful lives and related depreciation & amortisation charges for purchased and internally generated intangible assets and tangible assets and reviews the assessment at regular intervals. Management estimates are based on the projected operating life cycle of these assets. Such estimates are not expected to change significantly, however, management may modify depreciation and amortisation rates wherever useful lives turn out to be different than previously estimated and writes down or writes off assets.

Deferred tax assets
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases
IFRS 16 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

3 Property, plant and equipment

	Group Company				
	Computers & Peripherals	Motor Vehicles	Plant & Machinery	Others	Total
	GBP	GBP	GBP	GBP	GBP
Cost					
At 1 April 2019	48,556	-	663,579	-	712,135
Additions*	1,298	-	117,383	-	118,680
Disposals	-	-	-	-	-
Exchange differences	(212)	-	(2,897)	-	(3,109)
At 31 March 2020	**49,641**	-	**778,065**	-	**827,706**
Additions	1,436	92,580	54,556	3,825	152,397
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
At 31 March 2021	**51,077**	**92,580**	**832,621**	**3,825**	**980,102**
Accumulated depreciation					
At 1 April 2019	**17,026**	-	**232,552**	-	249,578
Depreciation charge for the year	6,742	-	89,661	-	96,403
Disposals	-	-	-	-	-
At 31 March 2020	**23,768**	-	**322,213**	-	**345,981**
Depreciation charge for the year	5,372	5,631	102,515	636	114,155
Disposals	-	-	-	-	-
Exchange differences	(74)	-	(1,414)	-	(1,488)
At 31 March 2021	**29,067**	**5,631**	**423,314**	**636**	**458,648**
Net book value					
At 31 March 2021	22,010	86,949	409,306	3,189	521,454
At 31 March 2020	25,873	-	455,851	-	481,725

	Holding Company				
	Computers & Peripherals	Motor Vehicles	Plant & Machinery	Others	Total
	GBP	GBP	GBP	GBP	GBP
Cost					
At 1 April 2019	-	-	900	-	900
Additions*				-	-
Disposals				-	-
Exchange variances					
At 31 March 2020	-	-	900	-	**900**
Additions		92,580		3,825	96,405
Disposals		-			-
At 31 March 2021	-	**92,580**	**900**	**3,825**	**97,305**
Accumulated depreciation					
At 1 April 2019	-	-	**180**	-	180
Depreciation charge for the year			144	-	144
Disposals		-	-		-
At 31 March 2020	-	-	**324**	-	**324**
Depreciation charge for the year		5,631	76	636	6,343
Disposals					-
At 31 March 2021	-	**5,631**	**400**	**636**	**6,667**
Net book value					
At 31 March 2021	-	86,949	500	3,189	90,638
At 31 March 2020	-	-	576	-	576

4 Leases

Right-of-use assets

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020 and 31 March 2021:

	Group	
	Building	**Total**
	GBP	**GBP**
Cost		
At 1 April 2019	-	-
Additions	128,360	**128,360**
Disposals	-	-
At 31 March 2020	**128,360**	**128,360**
Additions	-	-
Disposals	-	-
Exchange variances	(3,494)	(3,494)
At 31 March 2021	**124,866**	**124,866**
Accumulated depreciation		
At 1 April 2019	-	-
Depreciation	25,728	**25,728**
Disposals	-	-
Exchange variances	(56)	**(56)**
At 31 March 2020	**25,672**	**25,672**
Depreciation	25,323	25,323
Disposals		-
Exchange variances	(1,048)	(1,048)
At 31 March 2021	**49,947**	**49,947**
Net book value		
At 31 March 2021	74,920	74,920
At 31 March 2020	102,688	102,688

	As at 31 March 2021	**As at 31 March 2020**
Current lease liabilities	25,696	23,762
Non-current lease liabilities	53,799	82,132
	79,495	**105,894**

The following is the movement in lease liabilities during the year ended 31 March 2020 and 31 March 2021:

	As at 31 March 2020
At 1 April 2019	-
Additions	128,360
Deletions	-
Finance cost accrued during the year	8,261
Payment of lease liabilities	(30,641)
Exchange variances	(85)
At 31 March 2020	**105,894**
Rent concession (Due to COVID)	(15,112)
Finance cost accrued during the year	6,312
Payment of lease liabilities	(15,112)
Exchange variances	(2,487)
At 31 March 2021	**79,495**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 and 31 March 2021 on an undiscounted basis:

Period	**As at 31 March 2021**	**As at 31 March 2020**
Less than 1 year	57,601	82,598
One to five years	30,174	87,776
More than 5 years	-	-
	87,775	**170,374**

	Group		Company	
5 Financial assets	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**
Investments				
Non-current				
Investment in Vitalcare (Nanjing) Co, Ltd (Wholly owned foreign enterprise (WOFE))	-	-	1,397,015	783,788
Total	-	-	1,397,015	783,788

	As at 31 March 2021 GBP	**As at 31 March 2020 GBP**	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**
Loans (Unsecured considered good unless otherwise stated)				
Loans to related parties				
Considered good	623,521	-	902,166	572,685
Considered doubtful	-	-	-	-
	623,521	-	902,166	572,685
Less: Provision for doubtful advances	-	-	-	-
	623,521	-	902,166	572,685
Total loans	**623,521**	-	**902,166**	**572,685**
Current	**623,521**	-	**902,166**	**572,685**
Non-current	-	-	-	-
	623,521	-	902,166	**572,685**

	As at 31 March 2021 GBP	**As at 31 March 2020 GBP**	**As at 31 March 2021 GBP**	**As at 31 March 2020 GBP**
Other financial assets				
Due from related parties	-	1,066	-	1,066
Total other financial assets	-	**1,066**	-	**1,066**
Current	-	**1,066**	-	**1,066**
Non-current	-	-	-	-
	-	**1,066**	-	**1,066**

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6 Inventories	Group		Company	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Raw materials (including goods in transit)*	347,761	419,899	-	-
Work in progress	57,795	418,159	-	-
Finished goods	156,687	119,515	-	-
Traded goods	415,472	160,847	415,472	160,847
Total inventories at the lower of cost and net realisable value	**977,714**	**1,118,419**	**415,472**	**160,847**

*Total inventories is net of provision towards ageing, slow moving/obsolete inventories GBP 11,628 (31 March 2020 : Nil)

7 Trade receivables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Trade receivables	807,739	368,717	607,006	289,834
Total trade receivables	**807,739**	**368,717**	**607,006**	**289,834**

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Break-up for security details:	GBP	GBP	GBP	GBP
Current:				
Trade receivables				
Unsecured, considered good	807,739	368,717	607,006	289,834
Doubtful	-	-	-	-
	807,739	**368,717**	**607,006**	**289,834**
Total Trade receivables	**807,739**	**368,717**	**607,006**	**289,834**

8 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Balances with banks:				
- On current accounts	2,814,137	127,345	2,693,371	18,685
Cash on hand	6,919	16,294	-	-
Total Cash and cash equivalents	**2,821,055**	**143,639**	**2,693,371**	**18,685**

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following :

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Balances with bank:				
- On current accounts	2,814,137	127,345	2,693,371	18,685
Cash on hand	6,919	16,294	-	0
	2,821,055	**143,639**	**2,693,371**	**18,686**

Break up of financial assets carried at amortised cost

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Trade receivable (Note 7)	807,739	368,717	607,006	289,834
Cash and cash equivalents (Note 8)	2,821,055	143,639	2,693,371	18,685
Loans (Note 5)	623,521	-	902,166	572,685
Other financial assets (Note 5)	-	1,066	-	1,066
Total financial assets carried at amortised cost	**4,252,315**	**513,422**	**4,202,544**	**882,270**

9 Other non-financial assets

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Advance to vendors	41,615	332,407	10,712	315,758
Prepaid expenses	3,506	12,051	-	-
Other receivables	15,881	13,548	-	-
	61,002	**358,006**	**10,712**	**315,758**
Current	61,002	358,006	10,712	315,758
Non-current	-	-	-	-
Total non-financial assets	**61,002**	**358,006**	**10,712**	**315,758**

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10 Share capital

Ordinary share capital
Issued and fully paid

	Group		Company	
	Equity Shares		Equity Shares	
	No.	GBP	No.	GBP
Ordinary shares of £1 each				
At 1 April 2019	100	100	100	100
At 31 March 2020	**100**	**100**	**100**	**100**
At 31 March 2021	**100**	**100**	**100**	**100**

11 Other equity

	Group	Company
	GBP	GBP
Retained earnings		
At 1 April 2019	668,280	910,248
Total comprehensive income for the year, net of tax attributable to equity holders	643,572	625,851
Dividends paid	(746,500)	(746,500)
At 31 March 2020	565,352	789,599
Total comprehensive income for the year, net of tax attributable to equity holders	5,637,472	5,802,745
Dividends paid	(2,166,070)	(2,166,070)
At 31 March 2021	**4,036,755**	**4,426,274**

	Group	Company
	GBP	GBP
Exchange differences on translating the financial statements of a foreign operation		
At 1 April 2019	35,137	-
Net exchange differences on translation of foreign operations	(438)	-
At 31 March 2020	**34,699**	-
Net exchange differences on translation of foreign operations	71	-
At 31 March 2021	**34,769**	-

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12 Borrowings

Current borrowings	Group		Company	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Loan repayable on demand				
- Vital Care Limited, (Hongkong)	453,452	405,735	453,452	405,735
- from Others	-	271,302	-	271,302
	453,452	**677,038**	**453,452**	**677,038**
Aggregate secured borrowings	-	-	-	-
Aggregate unsecured borrowings	**453,452**	**677,038**	**453,452**	**677,038**

13 Trade payables

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Trade payables, carried at amortised cost				
Payables to suppliers	340,913	551,256	382,517	81,535
Total trade payables	**340,913**	**551,256**	**382,517**	**81,535**

14 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Due to related parties	9,208	-	9,208	-
Total	**9,208**	**-**	**9,208**	**-**
Current	9,208	-	9,208	-
Non-Current	-	-	-	-

15 Other non-financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	GBP	GBP	GBP	GBP
Payable to statutory/government authorities	153,033	27,772	182,959	50,379
Advance from customers	-	270,245	-	270,245
Provision for taxes	645,158	274,343	645,158	274,343
Others	117,444	67,123	-	-
Total other non-financial liabilities	**915,635**	**639,483**	**828,117**	**594,966**
Current	915,635	639,483	828,117	594,966
Non-current	-	-	-	-
	915,635	**639,483**	**828,117**	**594,966**

16 Revenue from operations

	Group		Company	
	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	GBP	**GBP**	**GBP**	**GBP**
Sale of products (net of rebates/discounts)	33,373,252	4,544,841	31,448,066	2,843,905
	33,373,252	**4,544,841**	**31,448,066**	**2,843,905**

17 Other income

	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	GBP	**GBP**	**GBP**	**GBP**
Other balances written back	-	7,075	-	7,075
Other operating income	2,183	11,371	-	-
Other non-operating income	31,816	18,073	-	-
Foreign exchange gain (net)	-	-	46,424	-
	33,999	**36,519**	**46,424**	**7,075**

18 Finance income

	Year ended 31 March 2021	**Year ended 31 March 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	GBP	**GBP**	**GBP**	**GBP**
Interest income - Bank deposits	3,000	-	3,000	-
Interest income - Others	24,333	-	24,333	-
	27,333	**-**	**27,333**	**-**

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19 Cost of raw material and components consumed

	Group		Company	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
a. Raw material and components consumed	GBP	GBP	GBP	GBP
Inventory at the beginning of the year	419,899	360,797	-	-
Add: Purchases	2,562,293	1,979,897	-	-
	2,982,192	2,340,694	-	-
Less: Inventory at the end of the year	(347,761)	(419,899)	-	-
	2,634,431	**1,920,794**	-	-
b. Purchase of traded goods				
Purchase of traded goods	21,839,762	147,696	24,206,624	2,012,568
	21,839,762	**147,696**	**24,206,624**	**2,012,568**
c. Net decrease/ (increase) in inventories of finished goods, work-in progress and traded goods				
Inventories at the end of the year				
Traded goods	415,472	160,847	415,472	160,847
	415,472	160,847	415,472	160,847
Inventories at the beginning of the year				
Traded goods	160,847	50,000	160,847	50,000
	160,847	50,000	160,847	50,000
Net decrease/ (increase) in inventories of finished goods, work-in progress and traded goods	**(254,625)**	**(110,847)**	**(254,625)**	**(110,847)**

20 Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	GBP	GBP	GBP	GBP
Salaries, wages and bonus	827,987	756,442	18,293	16,800
Contribution to defined contribution schemes	72,183	103,181	-	-
Staff welfare expenses	87,477	60,186	-	-
	987,647	**919,809**	**18,293**	**16,800**

21 Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	GBP	GBP	GBP	GBP
Depreciation on Property, plant and equipment (Refer note 3)	114,155	96,403	6,343	144
Depreciation on Right of use asset (Refer 4)	25,323	25,728	-	-
	139,478	**122,132**	**6,343**	**144**

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22 Other expenses

	Group		Company	
	Year ended 31 March 2021 GBP	Year ended 31 March 2020 GBP	Year ended 31 March 2021 GBP	Year ended 31 March 2020 GBP
Power and fuel	75,918	101,746	266	1,221
Freight and forwarding charges	432,509	236,267	101,914	38,194
Manufacturing Overheads	171,403	195,535	-	-
Rent	11,588	6,656	-	6,254
Rates and taxes	23,937	40,130	963	375
Insurance	11,769	9,013	8,070	5,179
Repairs and maintenance	-	-	-	-
Buildings	11,565	17,580	11,565	17,580
Others	12,702	26,045	4,369	4,417
Office expenses	7,607	10,885	203	2,381
Travelling and conveyance	12,621	29,206	10,622	25,291
Communication costs	4,092	4,220	4,092	4,220
Legal and professional fees	202,155	45,270	158,621	24,025
Bad debts / advances written off (net of writebacks)	8,240	-	968	-
Foreign exchange gain/loss (net)	4,561	4,472	-	6,343
Warehouse and logistic expenses	5,148	9,308	5,148	9,308
Donations	22,300	-	22,300	-
Security expenses	6,066	836	6,066	836
Miscellaneous expenses	14,398	34,320	2,846	3,558
	1,038,580	**771,489**	**338,014**	**149,181**

23 Finance costs

	Year ended 31 March 2021 GBP	Year ended 31 March 2020 GBP	Year ended 31 March 2021 GBP	Year ended 31 March 2020 GBP
Bank charges	4,471	2,947	3,304	2,215
Interest on loans	63,252	-	63,252	-
Interest on finance lease	6,312	8,261	-	-
Interest others	4,385	9,500	4,385	9,500
Total finance costs	**78,421**	**20,708**	**70,941**	**11,715**

24 Taxes

	Year ended 31 March 2021 GBP	Year ended 31 March 2020 GBP	Year ended 31 March 2021 GBP	Year ended 31 March 2020 GBP
Current Tax	1,316,779	145,568	1,316,779	145,568
Deferred Tax	16,710	-	16,710	-
Total finance costs	**1,333,489**	**145,568**	**1,333,489**	**145,568**

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25 Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Group	
	Year ended 31 March 2021	**Year ended 31 March 2020**
	GBP	**GBP**
Profit attributable to equity holders of parent	5,637,472	643,572
Weighted average number of Equity shares for basic and diluted EPS	100	100
Basic earnings per share	56,374.72	6,435.72
Diluted earnings per share	56,374.72	6,435.72

	Company	
	Year ended 31 March 2021	**Year ended 31 March 2020**
	GBP	**GBP**
Profit attributable to equity holders of parent	5,802,745	625,851
Weighted average number of Equity shares for basic and diluted EPS	100	100
Basic earnings per share	58,027.45	6,258.51
Diluted earnings per share	58,027.45	6,258.51

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26 First time adoption of IFRS

The financial statements for the year ended 31 March 2021 are the first financials of the Group presented in accordance with IFRS. For all periods up to and including the year ended 31 March 2020, the Group prepared its financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 which was the previous GAAP.

The Group has prepared financial statements in compliance with applicable IFRS for the year ended 31 March 2021 together with the comparative data for the year ended on 31 March 2020. The Group's opening balance sheet was prepared as on 1 April 2019, the Group's date of transition to IFRS.

The Group has made several adjustments in the course of transition to IFRS and the note below explains the principal adjustments made in restating the financial statements from previous GAAP to IFRS, including the balance sheet as at 1 April 2019 and financial statements for the year ended 31 March 2020.

Exemptions applied

IFRS 1 provides certain exemptions from the retrospective application of certain requirements as per IFRS, the Group has applied the below exemption while preparing IFRS financials.

(i) The Group has elected to avail exemption under IFRS 1 which permits a first-time IFRS adopter to elect not to apply IFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to IFRS). Accordingly, the Group has elected to measure all assets and liabilities arising out of business combinations that occurred before the date of transition to IFRS at their Previous GAAP carrying values.

(ii) The Group has elected to avail exemption under IFRS 1, to use Previous GAAP carrying value of its property, plant and equipment as per the statement of financial position prepared in accordance with Previous GAAP.

Reconciliation of equity as at 1 April 2019 (date of transition to IFRS)

		Group			Company		
	Footnote	Previous GAAP*	Adjustments	IFRS	Previous GAAP*	Adjustments	IFRS
		GBP	GBP	GBP	GBP	GBP	GBP
Assets							
Non-current Assets							
Property, plant and equipment		460,759	-	460,759	720		720
Right-of-use assets		-	-		-		-
Financial assets							
Investments		-	-	-	783,788		783,788
		460,759	-	**460,759**	**784,508**	-	**784,508**
Current assets							
Inventories		663,654	-	663,654	50,000	-	50,000
Financial assets							
Loans		175,000	-	175,000	175,000	-	175,000
Trade receivables	1	356,287	51,605	407,892	350,708	-	350,708
Cash and cash equivalents		297,033	-	297,033	147,107	-	147,107
Other financial assets		-	-	-	-	-	-
Other non-financial assets		131,941	-	131,941	-	-	-
		1,623,915	**51,605**	**1,675,520**	**722,815**	-	**722,815**
Total assets		**2,084,674**	**51,605**	**2,136,279**	**1,507,323**	-	**1,507,323**
Equity and Liabilities							
Equity							
Equity share capital		100	-	100	100	-	100
Other equity							
Retained earnings	1	646,233	57,184	703,417	910,248	-	910,248
Total Equity		**646,333**	**57,184**	**703,517**	**910,348**	-	**910,348**
Non-current liabilities							
Lease liabilities		-	-	-			-
Deferred tax liabilities (Net)		-	-	-	-	-	-
		-	-	-	-	-	-
Current liabilities							
Financial liabilities							
Borrowings		271,302	-	271,302	271,302		271,302
Lease liabilities		-		-	-		-
Trade payables	1	608,774	(5,579)	603,195	154,602	-	154,602
Other financial liabilities		-	-	-	-	-	-
Other non-financial liabilities		558,265	-	558,265	171,071	-	171,071
		1,438,341	**(5,579)**	**1,432,762**	**596,975**	-	**596,975**
Total liabilities		**1,438,341**	**-5,579**	**1,432,762**	**596,975**	-	**596,975**
Total equity and liabilities		**2,084,674**	**51,605**	**2,136,279**	**1,507,323**	-	**1,507,323**

* The Previous GAAP figures have been reclassified to conform to IFRS presentation requirement for the purpose of this note.

Reconciliation of equity as at 31 March 2020

		Group			Company		
	Footnote	Previous GAAP*	Adjustments	IFRS	Previous GAAP*	Adjustments	IFRS
		GBP	GBP	GBP	GBP	GBP	GBP
Assets							
Non-current Assets							
Property, plant and equipment		481,725		481,725	576		576
Right-of-use assets	2	-	102,688	102,688	-		-
Financial assets							
Investments		-		-	783,788		783,788
		481,725	**102,688**	**584,413**	**784,364**	-	**784,364**
Current assets							
Inventories		1,118,419	-	1,118,419	160,847	-	160,847
Financial assets							
Loans		-	-	-	572,685	-	572,685
Trade receivables		368,717	-	368,717	289,834	-	289,834
Cash and cash equivalents		143,639	-	143,639	18,685	-	18,685
Other financial assets		1,066	-	1,066	1,066	-	1,066
Other non-financial assets		358,006	-	358,006	315,758	-	315,758
		1,989,848	-	**1,989,848**	**1,358,875**	-	**1,358,875**
Total assets		**2,471,572**	**102,688**	**2,574,260**	**2,143,239**	-	**2,143,239**
Equity and Liabilities							
Equity							
Equity share capital		100	-	100	100	-	100
Other equity							
Retained earnings	2	603,695	(3,206)	600,489	789,599	-	789,599
Total Equity		**603,795**	**(3,206)**	**600,589**	**789,699**	-	**789,699**
Non-current liabilities							
Financial liabilities							
Lease liabilities	2	-	82,132	82,132	-		-
Deferred tax liabilities (Net)		-	-	-	-	-	-
		-	**82,132**	**82,132**	-	-	-
Current liabilities							
Financial liabilities							
Borrowings		677,038	-	677,038	677,038	-	677,038
Lease liabilities	2	-	23,762	23,762	-		-
Trade payables		551,256	-	551,256	81,535	-	81,535
Financial liabilities		-	-	-	-	-	-
Other non-financial liabilities		639,483	-	639,483	594,966	-	594,966
		1,867,776	**23,762**	**1,891,538**	**1,353,539**	-	**1,353,539**
Total liabilities		**1,867,776**	**105,894**	**1,973,670**	**1,353,539**	-	**1,353,539**
Total equity and liabilities		**2,471,572**	**102,688**	**2,574,260**	**2,143,239**	-	**2,143,239**

Reconciliation of profit or loss for the year ended 31 March 2020

		Group			Company		
	Footnote	Previous GAAP*	Adjustments	IFRS	Previous GAAP*	Adjustments	IFRS
		GBP	GBP	GBP	GBP	GBP	GBP
Revenue from operations		4,544,841		4,544,841	2,843,905		2,843,905
Other income		36,519	-	36,519	7,075	-	7,075
Finance income		-	-	-	-	-	
Total income		**4,581,359**	-	**4,581,359**	**2,850,981**	-	**2,850,981**
Expenses							
Cost of raw material and components cons		1,920,794	-	1,920,794			-
Purchase of traded goods		147,696	-	147,696	2,012,568	-	2,012,568
Net decrease in inventories of finished		(110,847)	-	(110,847)			(110,847)
goods, work-in-progress and traded goods		-					
Employee benefits expense		919,809	-	919,809	16,800	-	16,800
Depreciation and amortizatioı	2	96,403	25,728	122,132	144	-	144
Finance costs	2	12,447	8,261	20,708	11,715	-	11,715
Other expenses	2	802,131	(30,641)	771,489	149,181	-	149,181
Total expenses		**3,788,433**	**3,348**	**3,791,781**	**2,190,408**	-	**2,079,561**

Profit before tax		**792,926**	(3,348)	**789,578**	**771,419**	-	**771,419**
(1) Current tax		145,568	-	145,568	145,568	-	145,568
(2) Deferred tax		-	-	-	-	-	-
Income tax expense		**145,568**	**-**	**145,568**	**145,568**	**-**	**145,568**
Profit for the year		**647,358**	**(3,348)**	**644,010**	**625,851**	**-**	**625,851**
Other comprehensive income:							
be reclassified subsequently to profit or loss:							
translation of foreign operations	2	(580)	142	(438)	-	-	-
Other comprehensive income/(loss) for the year, net of tax		**(580)**	**142**	**(438)**	**-**	**-**	**-**
Total comprehensive income for the year, net of tax		**646,778**	**(3,206)**	**643,572**	**625,851**	**-**	**625,851**

* The Previous GAAP figures have been reclassified to conform to IFRS presentation requirement for the purpose of this note.

Footnote

1 The company has restated its receivables and payables to record for prior period revenues for the year ended 31 March, 2020.

2 Leases

Refer Note 4 on Leases. The Company has adopted IFRS 16 as on 31 March 2020 and accordingly Right of use of asset and lease liability has been recognised in the balance sheet amounting to GBP 128,360 for leasehold building.. The Company has recorded depreciation cost and finance expense and reversed rent expense for the qualifying leases as on 31 March 2020 amounting to GBP 25,728 , 8,261 and 30,641 respectively for leasehold building. The exchange variances on translation amounts to GBP 142 for the above transaction is included in other comprehensive income.

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27. Related party transactions:

Names of related parties and related party relationship, irrespective of whether transactions have occurred or not is given below:

Name of related party	Nature of relationship
Entity with significant influence over the Group:	
Vitalcare (Nanjing) Co, Ltd	Wholly owned foreign subsidiary
Vital Care Limited, (Hongkong)	KMP having control in another entity
Aquaflush Medical Limited	KMP having control in another entity
Key Management Person (KMP):	
Mr Lewis Calcutt	Director
Mrs Stephanie Calcutt	Director

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Transactions with the above related parties were:

Related party name	Nature of transactions	Company	
		Year Ended 31 March 2021	Year Ended 31 March 2020
		GBP	GBP
Entity with significant influence over the Group:			
Vitalcare (Nanjing) Co, Ltd	Sales	2,400,376	1,882,593
	Reimbursement of expenses	21,500	-
Key management person:			
Mr Lewis Calcutt	Dividend	1,516,249	522,550
Mrs Stephanie Calcutt	Dividend	649,821	223,950

Balances at the year end:

Related party name	Nature of transactions	Company	
		As At 31 March 2021	As At 31 March 2020
		GBP	GBP
Vital Care Limited, (Hongkong)	Borrowings	453,452	405,735
Vitalcare (Nanjing) Co, Ltd*	Trade advances	278,645	272,685
	Borrowings	-	300,000
	Trade payables	364,749	109,100
	Investment in subsidary	1,397,015	783,788
Mr Lewis Calcutt	Borrowings	9,208	(1,066)

**Note that this balance is Nil in the Group related party disclosure. All other disclosures are same as Company's related party disclosure*

28. Commitments and contingencies

(i) Aggregate value of commitments made on unexecuted capital contracts not provided for is GBP Nil (31 March 2020: GBP Nil)

29. Financial risk management objectives and policies

Fair Value

The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, financial assets, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of borrowings approximate the amounts appearing in the statements of financial position.

The Group is primarily exposed to market risk, credit risk and liquidity risk. The Group has developed a risk management process to monitor and control these risks. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to recognize potential adverse effects on the Group's financial performance.

The director and senior management carry out the risk management function. The Group does not undertake any transactions of a speculative nature or which are unrelated to its activities.

Market risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise mainly the following types of risks: interest rate risk, currency risk, commodity price risk and other price risk, such as equity risk.

Interest rate risk: The Group's exposure to the risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates. The Company's borrowings are short term / working capital in nature and hence is not exposed to significant interest rate risk.

Foreign currency risk: Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiaries.

Credit risk: Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.
The Group's maximum exposure to credit risk, due to the failure of counter parties to perform their obligations as at 31 March 2021 and 31 March 2020 in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the accompanying statements of financial position.

Liquidity risk: The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained. The Group has sufficient undrawn committed and uncommitted borrowing facilities that can be utilized to fund any potential shortfall in cash resources.
Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and cash equivalents and the ability to close out those positions as and when required by the business or project.

The table below summarizes the maturity profile of financial liabilities at 31 March 2021 and 31 March 2020 respectively, based on contractual undiscounted payments

Group- As at 31 March 2021	< 1 year	1 to 5 year	> 5 years
	GBP	GBP	GBP
Borrowings	453,452	-	-
Lease liabilities	25,696	-	-
Trade payables	340,913	-	-
Total	**820,061**	-	-

Group- As at 31 March 2020	< 1 year	1 to 5 year	> 5 years
	GBP	GBP	GBP
Borrowings	677,038	-	-
Lease liabilities	23,762	-	-
Trade payables	551,256	-	-
Total	**1,252,056**	-	-

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong internal calculation credit rating and healthy capital ratios in order to support its operations and maximize shareholder value. The Group's policy is to maintain leverage targets in line with an investment grade profile. The Group monitors capital using Net Debt to EBITDA ratio and establishes the desirable ranges based on the facts and circumstances at each time.

The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents:

	Group	
	As At 31 March 2021	As At 31 March 2020
	GBP	GBP
Borrowings	453,452	677,038
Less: cash and cash equivalent	-453,452	-143,639
Net debt restricted to borrowings	-	533,399
EBITDA	7,114,754	921,210
Net debt to EBITDA	0%	58%

30. Ultimate Controlling Party

The Company's ultimate controlling party is the Director and his wife Mrs Calcutt by virtue of their ownership of the share capital.

31. Subsequent events

On 1st, July, 2021 the company has been 100% acquired by Clinisupplies Limited, whose principal activity is manufacturing and distribution of medical devices.
As per share purchase agreement, the total enterprise value of the company is GBP 9.25 million.
The purchase consideration shall be payable by the buyer to the existing shareholders of Company as follows:
a) GBP 8 million plus net cash and excess working capital at closing, on 1 July 2021
b) GBP 1.25 million to be paid after completion of audit for the financial year ending March 31, 2022 conditions as outlined in the share purchase agreement.

ASA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
www.asaandassociates.co.in

CELEBRATING 30 YEARS

Level - 2, Park Square
No.150, 36th Cross
Jayanagar 7th Block
Bengaluru 560 082 INDIA
T +91 80 4151 0751

Report in connection with Agreed-upon Procedures assignment related to Conversion of Consolidated and Standalone Financial Information of M/s. Vitalcare Trading (UK) Ltd from Functional Currency (GBP) to Reporting Currency (INR) for the purpose of inclusion in the Offer documents of M/s. Healthium Medtech Limited

To the Board of Directors of M/s. Healthium Medtech Limited

We have performed the procedures agreed with you and enumerated below with respect to Conversion of Consolidated and Standalone Financial Information (Collectively "Financial Information") of M/s. Vitalcare Trading (UK) Ltd from Functional currency to Reporting currency for the Financial Years 2020-21 and 2019-20. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to report the factual findings in connection with the Conversion of Financial Information from Functional currency to Reporting currency.

The procedures carried out by us in this regard are as follows:

1. We have obtained the audited Consolidated and Standalone Financial Statements of Vitalcare Trading (UK) Ltd for the aforesaid Financial Years and tied the numbers with the Financial Information provided to us for conversion purposes. These Consolidated and Standalone Financial Statements were audited by FLS Accounting Solutions Limited T/A SP Vinshaw, Chartered Accountants, who had issued an unmodified opinion vide their report dated 16th August 2021.
2. We have verified the exchange rates which are considered for conversion of Financial Information from https://www.currency-converter.org.uk
3. The rates of conversion considered are as follows:

Particulars	FY 20-21	FY 19-20
Balance Sheet items (Closing rate as at 31st March 2021 and 31st March 2020 respectively)	INR 100.9078 / GBP	INR 93.4635 / GBP
Profit/ Loss items (Monthly average rates)	INR 97.6637 / GBP	INR 90.3152 / GBP

4. We also conducted relevant management inquiries.
5. We have relied on the documents made available viz. audited consolidated and Standalone financial statements together with the Independent Auditors report, to us and have done no independent procedure in this regard.

We report our findings below:

1. With respect to the conversion of Financial Information of M/s. Vitalcare Trading (UK) Ltd., we found that the conversion has been done appropriately using the rates as stated above in item no. 3.

ASA & Associates LLP Chartered Accountants

ASA

Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the financial information so converted.

Had we performed additional procedures or had we performed an audit or review of the financial information in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose of inclusion in the Offer documents of M/s. Healthium Medtech Limited and is not to be used for any other purpose or to be distributed to any other parties.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No.: 009571N/N500006

Vinay K.S
Partner
Membership No.: 223085

UDIN: 21223085AAAAEC6916

Place: Bengaluru
Date: 01st September 2021

Vitalcare Trading (UK) Ltd

Statement of Financial Position as at 31 March 2021

	Group				Company			
		2021 1 GBP = 100.9078 100.9078		2020 1 GBP = 93.4635 93.4635		2021 1 GBP = 100.9078 100.9078		2020 1 GBP = 93.4635 93.4635
	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Assets								
Non-current assets								
Property, plant and equipment	521,454	52,618,784	481,725	45,023,669	90,638	9,146,061	576	53,835
Right-of-use assets	74,920	7,559,987	102,688	9,597,572	-	-	-	-
Financial assets		-		-		-		-
Investments	-	-	-	-	1,397,015	140,969,689	783,788	73,255,570
	596,374	60,178,771	584,413	54,621,241	1,487,653	150,115,750	784,364	73,309,405
Current assets								
Inventories	977,714	98,658,978	1,118,419	104,531,397	415,472	41,924,373	160,847	15,033,297
Financial assets		-		-		-		-
Loans	623,521	62,918,115	-	-	902,166	91,035,608	572,685	53,525,144
Trade receivables	807,739	81,507,188	368,717	34,461,569	607,006	61,251,688	289,834	27,088,895
Cash and cash equivalents	2,821,055	284,666,497	143,639	13,425,026	2,693,371	271,782,137	18,685	1,746,406
Other financial assets	-	-	1,066	99,601	-	-	1,066	99,601
Other non-financial assets	61,002	6,155,580	358,006	33,460,527	10,712	1,080,881	315,758	29,511,843
	5,291,032	533,906,358	1,989,848	185,978,120	4,628,727	467,074,687	1,358,875	127,005,186
Total assets	5,887,405	594,085,129	2,574,260	240,599,361	6,116,380	617,190,437	2,143,239	200,314,591
	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Equity and liabilities								
Equity								
Equity share capital	100	10,091	100	9,346	100	10,091	100	9,346
Other equity	4,071,892	410,885,666	600,489	56,123,873	4,426,274	446,645,655	789,599	73,798,712
Equity attributable to equity holders of the parent	4,071,992	410,895,757	600,589	56,133,219	4,426,374	446,655,746	789,699	73,808,058
		-		-				
Non-controlling interests	-	-	-	-	-	-	-	-
Total equity	4,071,992	410,895,757	600,589	56,133,219	4,426,374	446,655,746	789,699	73,808,058
Non-current liabilities								
Financial liabilities								
Lease liabilities	53,759	5,428,740	82,132	7,676,336	-	-	-	-
Deferred tax liabilities (Net)	16,710	1,686,169	-	-	16,710	1,686,169	-	-
	70,509	7,114,909	82,132	7,676,336	16,710	1,686,169	-	-
Current Liabilities								
Financial liabilities								
Borrowings	453,452	45,756,890	677,038	63,278,324	453,452	45,756,890	677,038	63,278,324
Lease liabilities	25,696	2,592,927	23,762	2,220,880	-	-	-	-
Trade payables	340,913	34,400,750	551,256	51,522,313	382,517	38,598,980	81,535	7,620,563
Other financial liabilities	9,208	929,168	-	-	9,208	929,168	-	-
Other non-financial liabilities	915,635	92,394,728	639,483	59,768,289	828,117	83,563,484	594,966	55,607,646
	1,744,904	176,074,463	1,891,538	176,789,806	1,673,295	168,848,522	1,353,539	126,506,533
Total liabilities	1,815,413	183,189,372	1,973,670	184,466,142	1,690,005	170,534,691	1,353,539	126,506,533
Total equity and liabilities	5,887,405	594,085,129	2,574,260	240,599,361	6,116,380	617,190,437	2,143,239	200,314,591

Source:
https://www.currency-converter.org.uk/currency-rates/historical/table/GBP-INR.html

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
ICAI Firm registration number: 009571N/N500006

Vinay K S
Partner
Membership No. 223085

Place: Bengaluru, India
Date: 01st September 2021

For and on behalf of Board of Directors of Healthium Medtech Limited

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Place: Bengaluru, India
Date: 01st September 2021

Vishal Maheshwari
Group Chief Financial Officer
DIN: 08650672

Place: Bengaluru, India
Date: 01st September 2021

Vitalcare Trading (UK) Ltd
Statement of Profit and loss for the year ended 31 March 2021

	Group				Company			
		2021 1 GBP = 97.6637		2020 1 GBP = 90.3152		2021 1 GBP = 97.6637		2020 1 GBP = 90.3152
	Year ended 31 March 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2020
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Revenue from operations	33,373,252	3,259,355,571	4,544,841	410,467,962	31,448,066	3,071,334,832	2,843,905	256,847,747
Other income	33,999	3,320,471	36,519	3,298,205	46,424	4,533,958	7,075	638,999
Finance income	27,333	2,669,471	-	-	27,333	2,669,471	-	-
Total Income	33,434,584	3,265,345,513	4,581,359	413,766,167	31,521,824	3,078,538,261	2,850,981	257,486,746
Expenses								
Cost of raw material and components consumed	2,634,431	257,288,316	1,920,794	173,476,837	-	-	-	-
Purchase of traded goods	21,839,762	2,132,952,219	147,696	13,339,181	24,206,624	2,364,108,712	2,012,568	181,765,375
Net decrease in inventories of finished goods, work-in-progress and traded goods	(254,625)	(24,867,656)	(110,847)	(10,011,138)	(254,625)	(24,867,656)	(110,847)	(10,011,138)
Employee benefits expense	987,647	96,457,279	919,809	83,072,649	18,293	1,786,551	16,800	1,517,295
Depreciation and amortization expense	139,478	13,621,892	122,132	11,030,328	6,343	619,481	144	13,005
Finance costs	78,421	7,658,842	20,708	1,870,241	70,941	6,928,337	11,715	1,058,046
Other expenses	1,038,580	101,431,575	771,489	69,677,173	338,014	33,011,749	149,181	13,473,313
Total expenses	26,463,693	2,584,542,467	3,791,781	342,455,271	24,385,590	2,381,587,174	2,079,561	187,815,696
Profit before tax	6,970,891	680,803,046	789,578	71,310,896	7,136,234	696,951,087	771,419	69,670,850
(1) Current tax	1,316,779	128,601,522	145,568	13,146,996	1,316,779	128,601,522	145,568	13,146,996
(2) Deferred tax	16,710	1,631,961	-	-	16,710	1,631,961	-	-
Income tax expense	1,333,489	130,233,483	145,568	13,146,996	1,333,489	130,233,483	145,568	13,146,996
Profit for the year	5,637,402	550,569,563	644,010	58,163,900	5,802,745	566,717,604	625,851	56,523,854
Other comprehensive income:								
Other comprehensive income that will be reclassified subsequently to profit or loss:								
Net exchange differences on translation of foreign operations	71	18,295,360	(438)	1,986,627	-	18,824,627	-	1,970,399
	71	18,295,360	(438)	1,986,627	-	18,824,627	-	1,970,399
Other comprehensive income/(loss) for the year, net of tax	71	18,295,360	(438)	1,986,627	-	18,824,627	-	1,970,399
Attributable to owners of the Company:								
Total comprehensive income for the year, net of tax	5,637,472	568,864,923	643,572	60,150,527	5,802,745	585,542,231	625,851	58,494,253

Source:
https://www.currency-converter.org.uk/currency-rates/historical/table/GBP-INR.html

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
ICAI Firm registration number: 009571N/N500006

Vinay K S
Partner
Membership No. 223085

Place: Bengaluru, India
Date: 01st September 2021

For and on behal For and on behalf of Board of Directors of
Healthium Medi Healthium Medtech Limited

Anish Vasraj Bafna
CEO and Managing Director
DIN: 02925792

Place: Bengaluru, India
Date: 01st September 2021

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 01st September 2021

Vital Trading (UK) Ltd
Statement of Cash Flows for the year ended 31 March 2021

	Group				Company			
		1 GBP = 97.66371		1 GBP = 90.31515		1 GBP = 97.66371		1 GBP = 90.31515
	Year ended 31 March 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2020
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Cash flows from operating activities								
Profit before tax	6,970,891	680,803,046	789,578	71,310,896	7,136,234	696,951,087	771,419	69,670,850
Adjustments to reconcile profit before tax to net cash flows:								
Depreciation of property, plant and equipment	114,155	11,148,785	96,403	8,706,665	6,343	619,481	144	13,005
Depreciation on Right of use asset	25,323	2,473,107	25,728	2,323,663	-	-	-	-
Interest income	(27,333)	(2,669,471)	-	-	(27,333)	(2,669,471)	-	-
Interest expense	69,564	6,793,870	8,261	746,066	63,252	6,177,390	-	-
Bad debts written off/back	8,240	804,780	-	-	968	94,506	-	-
Other income (Rent concession)	(15,112)	(1,475,913)		-		-		-
Working capital adjustments:								
(Increase)/decrease in trade receivables	(447,263)	(43,681,333)	(18,009)	(1,626,473)	(318,140)	(31,070,752)	60,874	5,497,849
(Increase)/decrease in inventories	140,705	13,741,808	(454,765)	(41,072,210)	(254,625)	(24,867,656)	(110,847)	(10,011,138)
(Increase)/decrease in loans	(623,521)	(60,895,358)	175,000	15,805,151	(329,481)	(32,178,358)	(397,685)	(35,916,980)
(Increase)/decrease in other financial assets	1,066	104,077	56,119	5,068,378	1,066	104,077	(1,066)	(96,246)
(Increase)/decrease in other non-financial assets	297,004	29,006,545	(226,065)	(20,417,087)	305,046	29,791,961	(315,758)	(28,517,727)
Increase/(decrease) in other non-financial liabilities	(94,663)	(9,245,165)	(193,126)	(17,442,225)	(137,664)	(13,444,741)	149,553	13,506,858
Increase / (decrease) in other financial liabilities	9,208	899,296	-	-	9,208	899,296	-	-
Increase/(decrease) in trade payables	(210,343)	(20,542,905)	(51,939)	(4,690,881)	300,982	29,395,031	(73,067)	(6,599,041)
	6,217,920	607,265,169	207,185	18,711,943	6,755,855	659,801,851	83,568	7,547,430
Income tax paid	(945,964)	(92,386,317)	128,775	11,630,326	(945,964)	(92,386,317)	128,775	11,630,326
Net cash flows from operating activities (A)	5,271,957	514,878,852	335,960	30,342,269	5,809,891	567,415,534	212,343	19,177,756
Cash flows from investing activities								
Proceeds from sale of property, plant and equipment					-	-	-	-
Investment in subsidiary	-	-	-	-	(613,227)	(59,890,003)	-	-
Purchase of property, plant and equipment	(152,397)	(14,883,623)	(118,680)	(10,718,637)	(96,405)	(9,415,250)	-	-
Interest received	27,333	2,669,471	-	-	27,333	2,669,471	-	-
Net cash flows used in investing activities (B)	(125,063)	(12,214,152)	(118,680)	(10,718,637)	(682,298)	(66,635,782)	-	-
Cash flows from financing activities								
Interest paid	(69,564)	(6,793,870)	(8,261)	(746,066)	(63,252)	(6,177,390)	-	-
Repayment of lease liability	(15,112)	(1,475,913)	(30,641)	(2,767,381)	-	-	-	-
Issuance/(Repayment) of borrowings	(223,585)	(21,836,176)	405,736	36,644,091	(223,585)	(21,836,176)	405,736	36,644,091
Dividends paid to equity share holders	(2,166,070)	(211,546,432)	(746,500)	(67,420,259)	(2,166,070)	(211,546,432)	(746,500)	(67,420,259)
Net cash flows used in financing activities (C)	(2,474,331)	(241,652,391)	(379,666)	(34,289,615)	(2,452,907)	(239,559,998)	(340,764)	(30,776,168)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	2,672,562	261,012,309	(162,387)	(14,665,983)	2,674,686	261,219,754	(128,422)	(11,598,412)
Cash and cash equivalents at the beginning of the year	143,639	13,425,026	297,033	26,880,744	18,685	1,746,406	147,107	13,312,816
Effect of currency translation on cash and cash equivalents	4,854	10,229,162	8,993	1,210,265	-	8,815,977	-	32,002
Cash and cash equivalents at year end	2,821,055	284,666,497	143,639	13,425,026	2,693,371	271,782,137	18,685	1,746,406

Source:
https://www.currency-converter.org.uk/currency-rates/historical/table/GBP-INR.html

As per our report of even date

For ASA & Associates LLP
Chartered Accountants
ICAI Firm registration number: 009571N/N500006

Vinay K S
Partner
Membership No. 223085

Place: Bengaluru, India
Date: 01st September 2021

For and on behalf of Board of Directors of
Healthium Medtech Limited

Anish Venraj Bafna
CEO and Managing Director
DIN: 02925792

Place: Bengaluru, India
Date: 01st September 2021

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 01st September 2021

JAGDISH P. KHOKHANI F.C.A.
CHARTERED ACCOUNTANT
A-105, 1st Floor, Gulmohar CHSL, Aarey Cross Road, Opp. Chintamani Jain Temple, Goregaon (W), Mumbai - 400 062.
Tel. : 2876 2010 / 9029024100 E-mail : jpk2001@gmail.com Website : www.cakhokhani.com

UDIN - 21042708AAAAGL6614

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Healthium Medtech Limited

Report on the Audit of the Special Purpose Carve-Out Financial Statements Opinion

We have audited the accompanying Special Purpose Carve-Out Financial Statements of AbGel Division of **Healthium Medtech Limited** (hereinafter referred to as "the Company") acquired from Sri Gopal Krishna Labs Private Limited ("SGK"), which comprise the Carve-Out Balance Sheet as at 31 March 2021, 31 March 2020 and 01 April 2019, the Carve-Out Statement of Profit and Loss including the Statement of Other Comprehensive income for the year then ended, and notes to the Carve-Out financial statements, including a summary of significant accounting policies and other explanatory information and disclosure.
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Carve-out Financial Statements have been prepared, in all material respects with the Basis of Preparation set out in Note 2.B (i) to the Special Purpose Carve-out Financial Statements.

Basis for Opinion

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

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.B (i) to the Special Purpose Carve-Out Financial Statements, which describes the basis of accounting. This report is intended solely for your information and for use of the management of Healthium Medtech Limited ("the Issuer") for the preparation of Proforma Financial Information in connection with the Issuers' proposed Initial Public Offering and for inclusion in the offer document as mentioned in Note 2.A to the special Purpose Carve Out Financial Statements. As a result, these Special Purpose Carve-Out Financial Statements may not be suitable for another purpose. Our report should not be used, referred to or distributed for any other purpose. Jagdish Pritamlal Khokhani shall not be liable to the Company, the Issuer or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and Those charged with Governance for Special Purpose Carve-Out Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Carve-Out financial statements in accordance with the basis of preparation mentioned in Note 2.B (i) of the special purpose Carve-Out financial statements and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of special purpose carve-out financial statement that are free from material misstatement whether due to fraud or error.

In preparing the special purpose Carve-Out financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

Jagdish P. Khokhani
F.C.A.
M. No. 42708
Mumbai-62
Chartered Accountants

A-105, 1st Floor, Gulmohar CHSL., Aarey Cross Road, Opp. Chintamani Jain Temple, Goregaon (W), Mumbai - 400 062.
Tel. : 2876 2010 / 9029024100 E-mail : jpk2001@gmail.com Website : www.cakhokhani.com

Auditor's Responsibilities for the Audit of the Special Purpose Carve-Out Financial Statements

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

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

- Identify and assess the risks of material misstatement of the special purpose Carve-Out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has internal financial controls with reference to special purpose Carve-Out financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Carve-Out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Carve-Out Financial Statements, including the disclosures, and whether the special purpose Carve-Out Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters':

SGK has prepared a separate set of financial statements for the year ended 31 March 2021, 31 March 2020, and 31 March 2019, in accordance with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 on which we issued a separate auditor's report to the shareholders of the Company dated 26 July 2021, 19 November 2020 and 07 September 2019 respectively

For Jagdish Pritamlal Khokhani
Chartered Accountants

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62 Chartered Accountants

Jagdish Pritamlal Khokhani - Proprietor
Membership no.: 042708
Place: Mumbai ; Date: 01.09.2021

Healthium Medtech Limited - Abgel Division
Notes to the Special Purpose Carve-out Financial Statements for the financial years ended 31 March 2021, 2020, and 01 April 2019

1. Corporate Information

AbGel is one of the divisions of Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ("HML" or "the Company") acquired from Sri Gopal Krishna Labs Private Limited ("SGK") incorporated under the Companies Act 1956 and is engaged in the business of manufacturing and selling surgical hemostatic gelatin sponge.

2.A Purpose of preparation of these Special Purposes Carve-out Financial Statements

The Board of Directors of the Company at their meeting held on 20th May 2021 approved the purchase and transfer of the AbGel business (henceforth termed as "AbGel Division") of SGK to the Company, on a going concern basis. AbGel Division represents the manufacturing plant of the Company situated at Mumbai and associated businesses of the Company. Subsequent thereto, a Business Transfer Agreement ('BTA') was executed on 26 May 2021 (further amended on 09 July 2021) between the Company, SGK and Shareholders.

These Special Purpose Carve-out Financial Statements will be included in the offer document to be prepared by the Company in connection for filing with SEBI, in connection with the proposed IPO, as aforesaid pursuant to the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

These Special Purpose Carve-out Financial Statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on 01st September 2021.

2.B Summary of Significant Accounting Policies

i) Basis of Preparation of Special Purpose Carve-out Financial Statements

(i) The Special Purpose Carve-out Financial Statements of the AbGel Division, which comprises the Carve-out Balance Sheet as at 31 March 2021, 31 March 2020 and 01 April 2019, the Carve-out Statement of Profit and Loss including Other Comprehensive Income and the Carve-out Statement of Cash Flows for the financial years ended 31 March 2021 and 31 March 2020 and the Carve-out Statement of Changes in owner's net investment for the financial years ended 31 March 2021, 31 March 2020 and 01 April 2019, and notes to the Carve out Financial Statements, including a summary of significant accounting policies which is line with the Company's accounting policy and other explanatory information [collectively the "Special Purpose Carve-out Financial Statements"] have been prepared:

a) taking into consideration the terms of the BTA subject to necessary adjustments in the purchase consideration as at completion date between the Company and SGK as agreed in BTA which may impact carrying values of certain assets and / or liabilities.

b) measurement and recognition principle of Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 and

Jagdish P. Khokhani F.C.A. M.No. 42708 Mumbai-62. Chartered Accountants

c) in accordance with Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

Accordingly, the Special Purpose Carve-out Financial Statements include only those assets and liabilities (including contingencies) that are to be acquired by the Company under the terms of the BTA, being the assumed assets, assumed liabilities and assumed litigations, for all the years presented.

(ii) The assumed assets and assumed liabilities, related income and expenses and allocated expenses of Abgel division have been reported in the Special Purpose Carve-out Financial Statements in accordance with recognition and measurement principles prescribed by Ind AS.

(iii) As per BTA, "AbGel Division" refers to business of manufacturing and selling surgical hemostatic gelatin sponge under the brand "AbGel" carried out by the Seller including, but not limited to the following but does not include the Excluded Assets and the Excluded Liabilities (defined below):

a) all the movable assets including inventory, receivables (as mentioned in the Working Capital agreed between the Parties), pertaining to the Business and including particularly as described in Part A of Annexure 1 of BTA, subject to physical verification by the Buyer;

b) all the plant, machinery and equipment required for the Business and including particularly as described in Part B of Annexure 1 of BTA, subject to physical verification by the Buyer;
(Clause 1.1 (f) (i) and (ii) above shall be collectively referred to as, "Business Assets")

c) all books and records of Seller relating to the operation of Business and all lists, files relating to customers, Transferring Employees, vendors, dealers, distributors, and suppliers of Business, in any media or format, pertaining to the operations and activities of Business as on the Closing Date, including particularly the items set out in Annexure 2 of BTA (collectively, "Books and Records");

d) all Intellectual Property owned, licensed or used by the Seller, and which is used, or has been developed for use, or intended for use, in the Business, including particularly items set out in Annexure 3 of BTA;

e) all subsisting contracts and other engagements and receivables (as mentioned in the Working Capital agreed between the Parties) which may be received further to the aforesaid engagements, by whatever name called, whether written or unwritten, pertaining to the of Business as on the Closing Date (including relating to the brands or any software used by the Business) and more particularly described in Annexure 4 of BTA (collectively, "Contracts");

f) such Liabilities of the Business, as set out in Annexure 5 of BTA (collectively, "Assumed Liabilities") amongst those on the balance sheet of Seller as of the Closing Date, including Working Capital as agreed between the Parties;

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

g) all information existing at the Closing Date and relating to the Business, including, but not limited to, details of (i) customers, suppliers, distributors, dealers, vendors, and agents, purchase orders, sales orders, (ii) sales statistics, market share statistics, market surveys, budgets, and information relating to future business development or planning, if any, (iii) information relating to discounts, commissions and rebates received and / or paid and litigation or legal advice, if any, in whatever form (including computer disks or tapes) that information may be recorded or stored (the "Business Information").

(iv) The AbGel Division has historically operated as part of SGK and not as a standalone entity. Financial statements representing the operations of the AbGel Division have been derived from the SGK's accounting records and are presented on a carve-out basis. As part of SGK, the Division is dependent upon the SGK for all its working capital and financing requirements as SGK uses a centralized approach to cash management and financing of its operations. All long-term borrowings, that are not assumed liabilities under the terms of BTA have not been recognized in these Special Purpose Carve-out Financial Statements.

The principal purpose of carve-out statement of Profit and Loss is to present the historical operations of the carve-out business and reflect all the costs of doing business and corresponding revenue. Therefore, these Special Purpose Carve-out Statement of Profit and Loss includes the relevant costs and revenue as if the carve-out business operated as a separate entity in the periods presented.

(v) Owner's net investment, as disclosed in these Special Purpose Carve-out Financial Statements, being net asset value, represents the difference between the assumed assets and liabilities of the AbGel Division.

(vi) Assets, liabilities, income and expenses recognized in these Special Purpose Carve-out Financial Statements that are directly attributable to AbGel Division are based on the books of accounts and underlying accounting records maintained by SGK and as per conditions set out in the BTA.

Assets, liabilities, income and expenses recognized in these Special Purpose Carve-out Financial Statements that are either not readily identifiable from the books of accounts maintained by SGK or not directly attributable to AbGel Division have been allocated on a reasonable basis as below –

a) Income and expenses pertaining to AbGel Division have been allocated on a reasonable basis taking into consideration the respective cost centers and employee head count and Director's remuneration have been allocated basis the proportionate of revenue of the AbGel Divisions and other divisions.
b) The notional rent cost has been considered in profit and loss account to AbGel Division on basis of fair rental value of similar vicinity where the plant is located.
c) Receivables and Payables are considered and calculated as per formula provided in Annexure 16 of BTA; all Inventory have been considered at actuals.

(vii) These Special Purpose Carve-out Financial Statements may not include all the actual expenses that would have been incurred had the carve-out business operated as a standalone company during the periods presented and may not reflect the financial position and financial performance had it operated as a standalone company during such periods. Actual costs that would have been incurred if carve-out business had operated as a standalone company would depend on multiple factors, including organizational structure, capital structure, strategic and tactical decisions made in various areas, including information technology and infrastructure.

Therefore, the resulting financial position and financial performance in these Special Purpose Carve-out Financial Statements may not be that which might have existed if the carve-out business had been a standalone company. Further, the information may not be representative of the financial position and financial performance which may prevail after the transaction.

(viii) The Special Purpose Carve-out Financial Statements as presented are not legal entity financial statements and hence, no earnings per share (EPS), basic and diluted, has been computed and disclosed.

(ix) As per the BTA, transaction costs in respect of legal costs, disbursement charges and expenses incurred in and about the negotiation, preparation of BTA and any other document in connection with the BTA will not be borne by the AbGel Division and hence have not been recognized in these Special Purpose Carve-out Financial Statements.

(x) Contingent liabilities and litigations in respect of the Abgel Division have been reported on the basis of assumed litigations that are related to the business being transferred as per the terms specified in the BTA.

(xi) Pursuant to the requirement of paragraph 32 and 33 of the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, tax expense has been determined for the AbGel Division as if the carve-out business is a separate taxable entity. For details of income tax assets, refer note 21.

(xii) The Special Purpose Carve-out Financial Statements have been prepared under the historical cost convention on the accrual basis,

(xiii) These Special Purpose Carve-out Financial Statements were approved by the Board of Directors of the Company on 01st September 2021 for the use of the management of the Company and for inclusion in the Offer Document of the Company.

(xiv) The accounting policies are in line with the Company's accounting policy subject to changes as specified in Section 2.C in this policy "Changes in accounting policies and disclosures".

(xv) The Special Purpose Carve-out Financial Statements of the AbGel Division are presented in INR [in thousands] (₹).

ii) Basis of classification of Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

a) it is expected to be realized in, or is intended for sale or consumption in, the AbGel Division 's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when
a) it is expected to be settled in AbGel Division's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is due to be settled within twelve months after the reporting date; or
d) AbGel Division does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. AbGel Division has identified twelve months as its operating cycle.

iii) Foreign Currency

a) **Functional and presentation currency**
Items included in the Special Purpose Carve-out Financial Statements of AbGel Division are measured using the currency of the primary economic environment in which AbGel Division operates ('the functional currency'). The Special Purpose Carve-out Financial Statements of AbGel Division are presented in Indian Rupee (INR), which is AbGel Division 's functional and presentation currency.

iv) **Fair value measurement**
AbGel Division measures financial instruments at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the AbGel Division.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-82. Chartered Accountants

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

AbGel Division uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose carve-out financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Special Purpose carve-out financial statements on a recurring basis, AbGel Division determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operation.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per AbGel Division's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, AbGel Division has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the note no 23 to the financial statements.

v) Property, plant and equipment

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On transition to Ind AS i.e., 1 April 2019, AbGel Division has elected to continue with the carrying value of all of its property, plant and equipment ("PPE") recognized as at 1 April 2019 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment (other than specific asset referred under Para (a) to (d) below is calculated using the written down value basis as under:

Assets whose remaining useful life is not nil- Carrying amount of asset is depreciated over the remaining useful life of the asset as per this schedule. Assets whose remaining useful life is nil- Carrying amount of asset, after retaining residual value is recognized in the opening balance of retained earnings.

Assets acquired during the year- as per the rates prescribed on Schedule II to Companies Act, 2013.

Particulars	Useful lives estimated (years)
Plant and Machinery	15
Computer and peripherals	3 to 6
Electrical installation	10
Office equipment	5
Furniture and fittings	10

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if any.

vi) Intangible Assets

On transition to Ind AS, AbGel Division has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2019 measured as per the previous GAAP and use that carrying value as the deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortized on a straight-line basis over the estimated useful economic life.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Special Purpose carve-out statement of profit and loss unless such expenditure forms part of carrying value of another asset.

vii) Impairment of non-financial assets

AbGel Division assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, AbGel Division estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's

Jagdish P. Khokhani F.C.A M. No. 42708 Mumbai-62. Chartered Accountants

("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

AbGel Division bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of AbGel Division's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Special Purpose carve-out statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, AbGel Division estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Special Purpose carve-out statement of profit and loss.

viii) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that AbGel Division commits to purchase or sell the asset.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Abgel Division has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) Abgel Division has transferred substantially all the risks and rewards of the asset, or (b) Abgel Division has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The AbGel division recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company tests for impairment using the ECL model for financial assets such as trade receivables to be settled in cash.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. Life time ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head 'other expenses' in the statement of profit and loss account. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. AbGel Division's financial liabilities include trade and other payables

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the

Jagdish P. Khokhani F.C.A. M.No. 42708 Mumbai-62. Chartered Accountants derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Special Purpose carve-out statement of profit or loss.

c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

ix) **Inventories**

Inventories are valued at the lower of Cost and Net realizable Value.

The Cost is determined as follows:

a) Raw materials and Store and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
b) Finished goods and work in progress: cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on a FIFO basis.
c) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

x) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xi) **Revenue from contract with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which AbGel Division expects to be entitled in exchange for those goods or services. AbGel Division has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

To recognize revenues, the AbGel applies following five step approach:

(1) Identify the contract with a customer,

(2) identify the performance obligations in the contract,

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(3) Determine the transaction price,
(4) Allocate the transaction price to the performance obligations in the contract, and
(5) Recognize revenues when a performance obligation is satisfied.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in paragraph 2.B.

Sale of goods

Revenue from sale of product is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 30 days upon delivery.

(i) **Variable consideration**

If the consideration in a contract includes a variable amount, AbGel Division estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(a) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. AbGel Division uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which AbGel Division will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, AbGel Division recognizes a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

(b) Volume rebates

AbGel Division provides volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, AbGel Division applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. AbGel Division then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

ii) **Significant financing component**

Occasionally, AbGel Division receives short-term advances from its customers. Using the practical expedient in Ind AS 115, AbGel Division does not adjust the promised amount of consideration for the effects of a significant

Jagdish P. Khokhani F.C.A. M. No. 42208 Mumbai-62. Chartered Accountants

financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Trade receivables

A receivable represents AbGel Division's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in paragraph xii) Financial instruments – initial recognition and subsequent measurement.

xii) **Short term employee benefits**

All employee benefits payable/ available within twelve months of rendering of service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Special Purpose carve-out statement of profit and loss in the period in which the employee renders the related service.

xiii) Taxes

Pursuant to the requirement of paragraph 32 and 33 of the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, tax expenses have been determined for AbGel Division as if the carve-out business is a separate taxable entity.

Current Income Tax

Tax expense comprises of only current income tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Goods and Service Tax (GST) / **Sales/value added taxes paid on acquisition of assets or on incurring expenses**

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of GST paid. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xiv) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability is also a present obligation that arises from past events but outflow of resources embodying economic benefits is not probable. The AbGel Division does not recognize a contingent liability but discloses its existence in the financial statements.

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xv) Provisions

A provision is recognized when AbGel Division has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Special Purpose carve-out statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of AbGel Division's Special Purpose Carve-out Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date.

b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that AbGel Division is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by AbGel Division.

c) Revenue from contracts with customers

AbGel Division applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, AbGel Division is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

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AbGel Division determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, AbGel Division determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, AbGel Division considers whether the amount of variable consideration is constrained. AbGel Division determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimating variable consideration for returns and volume rebates
AbGel Division estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

AbGel Division developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by AbGel Division.

AbGel Division's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

AbGel Division applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by AbGel Division.

AbGel Division updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and AbGel Division's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Jagdish P. Khokhani * M. No. 42708 Mumbai-32 * Chartered Accountants

2.C. Changes in accounting policies and disclosures

The AbGel Division applied for the first-time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2018. The nature and the impact of each amendment is described below:

i) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

AbGel Division has adopted Ind AS 115 using the modified retrospective method of adoption. Under the modified retrospective approach, there are no significant adjustments required to the retained earnings at 1 April 2018 in Special Purpose carve-out financial statement. Also, the application of Ind AS 115 does not have any significant impact on recognition and measurement of revenue and related items in the Special Purpose Carve-out Financial Statements.

The AbGel Division applied for the first-time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2019. The nature and the impact of each amendment is described below:

i) Amendments to Ind AS 1 and Ind AS 8: Definition of "Material"

The amendments refine the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments are not expected to have any impact on the AbGel Division's special purpose carve-out financial statements.

ii) Amendments to Ind AS 116: COVID-19 related rent concessions

The amendments permit lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet the specific conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

The amendment does not affect lessors. Lessors are required to continue to assess whether rent concessions are lease modifications and account for them accordingly.

Jagdish P. Khaktani FCA M. No. 708 Mumbai-82 Chartered Accountants

Since no rent concessions due to COVID-19 have been availed by the Abgel Division, the amendments are not expected to have a significant impact on the special purpose carve-out financial statements.

2.D. Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, up to the date of issuance of the AbGel Division's financial statements.

For Jagdish Pritamlal Khokhani
Chartered Accountants
ICAI Firm registration number: 00042708

Jagdish Pritamlal Khokhani
Proprietor
Membership no.: 042708
Place: Mumbai
Date: 01.09.2021

For and on behalf of Board of Directors of
Healthium Medtech Limited - Abgel Division

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792
Place: Bengaluru
Date: 01.09.2021

Mohammed Azeez
Director
DIN: 03527725
Place: Bengaluru
Date: 01.09.2021

Healthium Medtech Limited - Abgel Division
Special Purpose Carve-out Balance sheet as at 31 March 2021, 2020 and 01 April 2019

(in INR '000)

	Notes	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Assets				
Non-current assets				
Property, plant and equipment	3	1,403.92	1,675.30	2,205.18
Intangible assets	4	200.00	200.00	200.00
		1,603.92	1,875.30	2,405.18
Current assets				
Inventories	5	6,616.95	11,116.76	10,633.06
Financial assets				
(i) Trade receivables	6A	6,826.85	8,479.19	5,049.39
(ii) Cash and cash equivalents	6B	-	-	-
		13,443.80	19,595.95	15,682.45
Total assets		15,047.72	21,471.25	18,087.62
Equity and liabilities				
Equity				
Owner's net investment	7	12,861.20	18,936.16	15,236.49
Total Equity		12,861.20	18,936.16	15,236.49
Non-current liabilities				
Financial liabilities				
(ii) Others	8	750.00	750.00	750.00
		750.00	750.00	750.00
Current liabilities				
Financial liabilities				
(i) Trade payables	9			
a) total outstanding dues of micro and small enterprises		-	-	-
b) total outstanding dues of creditors other than micro and small enterprises		1,436.52	1,785.09	1,665.74
Other current liabilities	10	-	-	435.39
		1,436.52	1,785.09	2,101.13
Total liabilities		2,186.52	2,535.09	2,851.13
Total equity and liabilities		15,047.72	21,471.25	18,087.62
Summary of significant accounting policies	2.2			

The accompanying notes are an integral part of the Special Purpose Carve-out Financial Statements

As per our report of even date

For Jagdish Pritamlal Khokhani
Chartered Accountants
ICAI Firm registration number: 00042708

Jagdish P. Khokhani
F.C.A.
M. No. 42708
Mumbai-62.
Chartered Accountants

Jagdish Pritamlal Khokhani
Proprietor
Membership no.: 042708
Place: Mumbai
Date: 01.09.2021

For and on behalf of Board of Directors of
Healthium Medtech Limited - Abgel Division

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792
Place: Bengaluru
Date: 01.09.2021

Mohammed Azeez
Director
DIN: 03527725
Place: Bengaluru
Date: 01.09.2021

Healthium Medtech Limited - Abgel Division
Special Purpose Carve-out Statement of Profit and Loss for the financial years ended 31 March 2021 and 2020

(in INR '000)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue			
Revenue from operations	11	65,574.10	81,444.87
Other income	12	332.41	-
Total income		65,906.51	81,444.87
II Expenses			
Cost of raw material and components consumed	13	7,771.11	8,068.57
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	13	3,015.20	999.68
Employee benefits expense	14	26,535.93	31,062.19
Depreciation and amortization expense	15	440.44	555.88
Finance costs	17	60.14	16.25
Other expenses	16	10,668.41	11,234.48
Total expense		48,491.23	51,937.04
III Profit/(loss) before tax (I-II)		17,415.28	29,507.83
IV Tax expense/(credit):			
(1) Current tax	18	4,844.93	8,209.08
(2) Deferred tax charge/(credit)	18	-	-
Income tax expense/(credit)		4,844.93	8,209.08
V Profit/(loss) for the year (III-IV)		12,570.35	21,298.75
VI Other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) for the year, net of tax		-	-
VII Total comprehensive income/(loss) for the year, net of tax attributable to equity holders (V+VI)		12,570.35	21,298.75

Summary of significant accounting policies 2.2
The accompanying notes are an integral part of the Special Purpose Carve-out Financial Statements

As per our report of even date

For Jagdish Pritamlal Khokhani
Chartered Accountants
ICAI Firm registration number: 00042708

Jagdish Pritamlal Khokhani
Proprietor
Membership no.: 042708
Place: Mumbai
Date: 01.09.2021

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

For and on behalf of Board of Directors of
Healthium Medtech Limited - Abgel Division

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792
Place: Bengaluru
Date: 01.09.2021

Mohammed Azeez
Director
DIN: 03527725
Place: Bengaluru
Date: 01.09.2021

Healthium Medtech Limited - Abgel Division

Special Purpose Carve-out Statement of Changes in Owner's net investment for the financial years ended 31 March 2021, 2020 and 01 April 2019

(in INR 000's)

	Note	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Owner's net investment				
As at beginning	7	18,936.16	15,236.49	-
Owner's net investment		-6,074.96	3,699.67	15,236.49
As at end		12,861.20	18,936.16	15,236.49

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Special Purpose Carve-out Financial Statements

For Jagdish Pritamlal Khokhani
Chartered Accountants
ICAI Firm registration number: 0042708

Jagdish Pritamlal Khokhani
Proprietor
Membership no.: 042708
Place: Mumbai
Date: 01.09.2021

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

For and on behalf of Board of Directors of
Healthium Medtech Limited - Abgel Division

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792
Place: Bengaluru
Date: 01.09.2021

Mohammed Azeez
Director
DIN: 03527725
Place: Bengaluru
Date: 01.09.2021

Healthium Medtech Limited - Abgel Division
Special Purpose Carve-out Statement of Cash Flows for the financial years ended 31 March 2021 and 2020

(in INR '000)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Operating activities		
Profit/(loss) before tax	17,415.28	29,507.83
Adjustments to reconcile profit/(loss) after exceptional items and before tax to net cash flows:		
Depreciation of Property, plant and equipment	440.44	555.88
Working capital adjustments:		
(Increase)/ decrease in trade receivables	1,652.34	-3,429.80
(Increase)/ decrease in inventories	4,499.81	-483.70
Increase/ (decrease) in trade and other financial liabilities	-348.57	119.35
Increase/ (decrease) in other liabilities and provisions	-	-435.39
	23,659.29	25,834.17
Income taxes paid	-	-
Net cash flows from operating activities (A)	23,659.29	25,834.17
Investing activities		
Purchase of property, plant and equipment	-169.05	-26.00
Net cash flows used in investing activities (B)	-169.05	-26.00
Financing activities		
Movement in owner's net investment	-23,490.24	-25,808.17
Net cash flows used in financing activities (C)	-23,490.24	-25,808.17
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	0.00	0.00
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year end (Refer note 6B)	0.00	0.00

As per our report of even date

For Jagdish Pritamlal Khokhani
Chartered Accountants
ICAI Firm registration number: 00042708

Jagdish Pritamlal Khokhani
Proprietor
Membership no.: 042708
Place: Mumbai
Date: 01.09.2021

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

For and on behalf of Board of Directors of
Healthium Medtech Limited - Abgel Division

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792
Place: Bengaluru
Date: 01.09.2021

Mohammed Azeez
Director
DIN: 03527725
Place: Bengaluru
Date: 01.09.2021

(in INR 000's)

3 Property, plant and equipment

	Plant and machinery	Computer and peripherals	Office equipments	Furniture and fittings	Total
Cost					
As at 1 April 2019	5,687.03	153.46	737.67	446.63	7,024.80
Additions	-	-	26.00	-	26.00
Disposals	-	-	-	-	-
As at 31 March 2020	5,687.03	153.46	763.67	446.63	7,050.80
Additions	85.50	63.18	20.38	-	169.05
Disposals	-	-	-	-	-
As at 31 March 2021	5,772.53	216.64	784.05	446.63	7,219.85
Depreciation and impairment					
As at 1 April 2019	4,152.76	105.85	333.24	227.76	4,819.62
Depreciation charge for the year	280.45	29.64	189.61	56.18	555.88
Disposals	-				-
As at 31 March 2020	4,433.21	135.49	522.85	283.94	5,375.49
Depreciation charge for the year	235.07	55.94	107.70	41.72	440.44
Disposals					-
As at 31 March 2021	4,668.28	191.43	630.55	325.66	5,815.93
Net book value					
As at 31 March 2021	1,104.25	25.21	153.50	120.97	1,403.92
As at 31 March 2020	1,253.82	17.97	240.82	162.69	1,675.30
As at 1 April 2019	1,534.27	47.61	404.43	218.87	2,205.18

Net book value

	31 March 2021	31 March 2020	01 April 2019
Plant, property and equipment	1,403.92	1,675.30	2,205.18

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

(in INR 000's)

4 Intangible assets

	TradeMarks	Total
Cost		
As at 1 April 2019	200.00	200.00
Additions	-	-
Disposals	-	-
As at 31 March 2020	200.00	200.00
Additions		-
Disposals	-	-
As at 31 March 2021	200.00	200.00
Amortisation		
As at 1 April 2019	-	-
Charge for the year	-	-
As at 31 March 2020	-	-
Charge for the year	-	-
As at 31 March 2021	-	-
Net book value		
As at 31 March 2021	200.00	200.00
As at 31 March 2020	200.00	200.00
As at 1 April 2019	200.00	200.00

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

(in INR 000's)

5 Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Raw materials	4,379.18	5,863.79	4,380.41
Work in progress	1,562.13	4,703.42	5,620.63
Finished goods	675.63	549.54	632.02
Total	6,616.95	11,116.76	10,633.06

6A Trade receivables (amortized cost)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Trade receivables	6,826.85	8,479.19	5,049.39
Total	6,826.85	8,479.19	5,049.39

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Break-up for security details:			
Current			
Secured, considered good	-	-	-
Unsecured, considered good	6,826.85	8,479.19	5,049.39
Total trade receivables	6,826.85	8,479.19	5,049.39

6B Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balances with banks:			
- On current accounts	-	-	-
- Deposits with original maturity of less than three months			
Cash on hand	-	-	-
Total cash and cash equivalents	-	-	-

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following :

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balances with bank:			
- On current accounts	-	-	-
Cash on hand	-	-	-
	-	-	-

Break up of financial assets carried at amortised cost

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Trade receivable (Note 6A)	6,826.85	8,479.19	5,049.39
Cash and cash equivalent (Note 6B)	-	-	-
Total financial assets carried at amortised cost	6,826.85	8,479.19	5,049.39

Jagdish P. Khokhani
C.A.
M. No. 42708
Mumbai-62.
Chartered Accountants

(in INR 000's)

7 Equity

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Equity			
Owner's net investment*			
As at beginning	18,936.16	15,236.49	-
Changes in owner's net investment during the year	-6,074.96	3,699.67	15,236.49
As at end	12,861.20	18,936.16	15,236.49

*(represent the difference between the assets and liabilities of the Healthium Medtech Private Limited- Abgel division duriug net asset value)

Basis above, other detailed disclosures in respect of Share Capital and Other Equity are not applicable aud has not been disclosed in these Special Purpose Carve-out Financial Statements.

Jagdish P. Khokhani
F.C.A.
M. No. 42708
Mumbai-62.
Chartered Accountants

Healthium Medtech Limited - Abgel Division
Special Purpose Carve-out Statement of Changes in Owner's net investment for the financial years ended 31 March 2021, 2020 and 01 April 2019

(in INR 000's)

7 Net investment from HO division

	Amount
Balance as on 1st April 2018	-
Net contributions from/to HO	-10,093.59
Net profit/ (loss) from pharma division	25,330.09
Balance as on 1st April 2019	15,236.49
Net contributions from/to HO	-17,599.09
Net profit/ (loss) from pharma division	21,298.75
Balance as on 31st March 2020	18,936.16
Net contributions from/to HO	-18,645.31
Net profit/ (loss) from pharma division	12,570.35
Balance as on 31st March 2021	12,861.20

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

Healthium Bengaluru

(in INR 000's)

8 Other financial liabilities
(carried at amortised cost)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Non-current			
Deposits (unsecured)			
Rent Deposit	-	-	-
Deposits from consignee agent	750.00	750.00	750.00
Total other non-current financial liabilities	750.00	750.00	750.00

9 Trade payables
(carried at amortised cost)

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Current			
Trade payables			
- Total outstanding dues of micro and small enterprises*	-	-	-
- Total outstanding dues of creditors other than micro and small enterprises	1,436.52	1,785.09	1,665.74
Total current trade payables	1,436.52	1,785.09	1,665.74

* *Refer note 19 for MSMED disclosures*

Terms and conditions of the above financial liabilities:
- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For information on financial risk objectives and policies, refer note 22.

10 Other liabilities

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Current			
Provision for expenses	-	-	435.39
Total other current liabilities	-	-	435.39

Jagdish P. Khokhani C.A. M.No. 42708 Mumbai-62. Chartered Accountants

(in INR 000's)

11 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from contracts with customers		
Sale of products		
Finished products	65,574.10	81,444.87
Total revenue from operations	65,574.10	81,444.87

Timing of revenue recognition	Year ended 31 March 2021	Year ended 31 March 2020
Goods transferred to the customers at a point in time	65,574.10	81,444.87
Total revenue from customers with contracts	65,574.10	81,444.87

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

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per contracted price	65,574.10	81,444.87
Adjustments		
Discount	-	-
Revenue from contract with customers	65,574.10	81,444.87

12 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Balances written back	332.41	-
Total other income	332.41	-

13 Cost of raw material and components consumed

a. Raw material and components consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at the beginning of the year	5,863.79	4,380.41
Add: Purchases	6,286.49	9,551.95
	12,150.28	13,932.36
Less: Inventory at the end of the year	-4,379.18	-5,863.79
Cost of raw materials and components consumed	7,771.11	8,068.57

b. Changes in inventories of finished goods, work-in progress and traded goods

		Year ended 31 March 2021	Year ended 31 March 2020
Inventories at the end of the year			
Finished goods		675.63	549.54
Work in progress		1,562.13	4,703.42
Total	A	2,237.77	5,252.97
Inventories at the beginning of the year			
Finished goods		549.54	632.02
Work in progress		4,703.42	5,620.63
Total	B	5,252.97	6,252.65
(Increase)/decrease in inventories of finished goods, work-in progress and traded goods (B-A)		3,015.20	999.68

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

(in INR 000's)

14 Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	26,206.25	30,708.23
Contribution to provident and other funds	-	-
Staff welfare expenses	329.68	353.96
Total employee benefits expense	26,535.93	31,062.19

15 Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property, plant and equipment (Refer Note 3)	440.44	555.88
Amortization of intangible assets (Refer note 4)	-	-
Total depreciation and amortization expense	440.44	555.88

16 Other expense

	Year ended 31 March 2021	Year ended 31 March 2020
Factory expenses	1,031.34	758.58
Travelling and conveyance	837.95	1,096.76
Freight and forwarding charges	63.73	-
Legal and professional fees	254.39	115.50
Transport	99.40	217.36
Bad debts	-	340.38
Repairs and maintenance		
Plant and machinery	1,768.65	282.63
Rent	2,880.00	2,640.00
Delivery expenses	499.05	604.85
Printing and stationery	27.96	14.14
Insurance	131.34	141.47
Electricity Expense	2,920.11	4,334.10
Rates and taxes	-	528.15
Miscellaneous expenses	154.51	160.55
Total other expense	10,668.41	11,234.48

17 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Bank charges	60.14	16.25
Total finance costs	60.14	16.25

Jayesh P. Khokhani
M. No. 42708
Mumbai-62
Chartered Accountants

(in INR 000's)

18 Income tax

The major components of income tax expenses for the years ended 31 March 2021, 2020 and 01 April 2019 are:

Profit and loss section:

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 01 April 2019
Current income tax:			
Current income tax charge	4,844.93	8,209.08	9,762.86
Income tax expense reported in the statement of profit or loss	4,844.93	8,209.08	9,762.86

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year :

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 01 April 2019
Accounting profit/(loss) before tax	17,415.28	29,507.83	35,092.94
Statutory tax rate (%)	27.82%	27.82%	27.82%
At India's statutory income tax rate	4,844.93	8,209.08	9,762.86
Income tax expense for the year	4,844.93	8,209.08	9,762.86
Income tax expense reported in the statement of profit and loss	4,844.93	8,209.08	9,762.86

Jagdish P. Khokhani F.C.A. M.No.-42708 Mumbai-62. Chartered Accountants

Limited Bangalore

(in INR 000's)

Other matters

19 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 01 April 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each			
Principal amount due to micro and small enterprises			
Interest due on above			
	-	-	-
Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-	-

20 Commitments and contingencies

a Other commitments

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
i. Aggregate value of commitments made on unexecuted capital contracts not provided for	-	-	-

b Contingent liabilities

Claims against the Company not acknowledged as debts

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Claims against the Company not acknowledged as debts	-	-	-
	-	-	-

21 Related party transactions

Names of related parties and related party relationship, irrespective of whether transactions have occurred or not is given below:

Name of related party where control exists:	Nature of relationship
Key management personnel:	
Mr. Kisandas Parekh	Director of Sri Gopal Krishna Labs Private Limited
Ms. Hansa Parekh	Director of Sri Gopal Krishna Labs Private Limited
Mr. Viral Parekh	Director of Sri Gopal Krishna Labs Private Limited
Ms. Chaula Parekh	Director of Sri Gopal Krishna Labs Private Limited

Transactions with the related parties are:

Related party name	Nature of transactions	Period ended 31 March 2021	Period ended 31 March 2020
Key management personnel			
Directors remuneration			
Mr. Viral Parekh *		8,779.48	9,999.16
Mr. Kisandas Parekh *		8,779.48	9,999.16
Ms. Hansa Parekh *		703.32	812.56
Ms. Chaula Parekh *		3,512.23	4,037.93

There are no dues to related party at the year end

* restricted to allocation made to Abgel Division

Jagdish P. Khokhani
F.C.A.
M. No. 42708
Mumbai-62
Chartered Accountants

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(in INR 000's)

22 Financial risk management

The Abgel Division's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Abgel Division's operations. The Abgel Division's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Abgel Division is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

(a) Interest rate risk

The Abgel Division is not exposed interest rate risk due to no interest bearing loans and borrowings in 2021, 2020 and 2019.

b. Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The Abgel Division's exposure to credit risk arises from its
In order to mitigate the credit risk on receivables, credit quality of the customer is assessed based on the credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding receivables are monitored on an ongoing basis to ensure timely collections and to mitigate the risk of bad debts.

An impairment analysis is performed at each reporting date for the outstanding trade receivables and expected credit loss if any are provided for. The Abgel Division's maximum exposure to counterparty credit risk at the reporting date is the carrying value of financial assets.

Credit risk
Impact of Covid-19
Trade receivables form a significant part of the financial assets carried at amortized cost which is valued, considering provision for allowance, using expected credit loss method. In addition to the historical pattern of credit loss, we have evaluated the likelihood of increased credit risk and consequential default considering the emerging Covid-19 situation. This assessment considers the current collection pattern across various verticals and the financial strength of customers. The Abgel Division is closely monitoring the developments across various business verticals. Basis this assessment, provision made towards ECL is considered adequate.

c. Liquidity risk

Liquidity risk is the risk that the Abgel Division will encounter difficulty in meeting financial obligations due to shortage of funds. The Abgel Division's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Abgel Division's objective is to maintain a balance between continuity of funding and flexibility. The Abgel Division's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Abgel Division.

Liquidity risk is the risk that the Abgel Division will encounter difficulty in meeting financial obligations due to shortage of funds. The Abgel Division's exposure to liquidity risk arises primarily from mismatches of the maturities in financial assets and liabilities. The Abgel Division's objective is to maintain a balance between continuity of funding and flexibility. The Abgel Division's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Abgel Division.

The table below summarises the maturity profile of the Abgel Division's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows:

	As at 31 March 2021			
	One year or less	One to five years	Over five years	Total
Financial assets				
Trade receivables	6,826.85	-	-	6,826.85
Total	6,826.85	-	-	6,826.85
Financial liabilities				
Trade payables	1,436.52	-		1,436.52
Other financial liabilities (current and non-current)	-	750.00	-	750.00
Total	1,436.52	750.00	-	2,186.52

	As at 31 March 2020			
	One year or less	One to five years	Over five years	Total
Financial assets				
Trade receivables	8,479.19	-	-	8,479.19
Total	8,479.19	-	-	8,479.19
Financial liabilities				
Trade payables	1,785.09	-	-	1,785.09
Other financial liabilities (current and non-current)	-	750.00	-	750.00
Total	1,785.09	750.00	-	2,535.09

	As at 1 April 2019			
	One year or less	One to five years	Over five years	Total
Financial assets				
Trade receivables	5,049.39	-	-	5,049.39
Total	5,049.39	-	-	5,049.39
Financial liabilities				
Trade payables	1,665.74	-	-	1,665.74
Other financial liabilities (current and non-current)	-	750.00	-	750.00
Total	1,665.74	750.00	-	2,415.74

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

(in INR 000's)

23 **Fair value hierarchy and disclosure**

The Abgel Division uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

a. Financial assets carried at amortised cost *

	Schedule	Fair value hierarchy	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Trade receivables	6A	Level 3	6,826.85	8,479.19	5,049.39
Total			6,826.85	8,479.19	5,049.39

b. Financial liabilities carried at amortised cost*

	Schedule	Fair value hierarchy	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Trade payables					
- Current	9	Level 3	1,436.52	1,785.09	1,665.74
- Non current	9	Level 3	-	-	-
Other financial liabilities					
- Current	8	Level 3	-	-	-
- Non current	8	Level 3	750.00	750.00	750.00
Total			2,186.52	2,535.09	2,415.74

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy

Jagdish P. Khokhani
F.C.A.
M. No. 42708
Mumbai-62.
Chartered Accountants

(in INR 000's)

24 First time adoption of Ind-AS

The financial statements for the year ended 31 March 2021 are the first financials of the Special purpose carve out financial statements - Abgel division presented in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2020, the Special purpose carve out financial statements - Abgel division prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 previous GAAP.

The Special purpose carve out financial statements - Abgel division has prepared financial statements in compliance with applicable Ind AS for the year ended 31 March 2021 together with the comparative data for the year ended on 31 March 2020. The opening balance sheet was prepared as on 1 April 2019, which was the date of transition to Ind AS.

The Special purpose carve out financial statements - Abgel division has made several adjustments in the course of transition to Ind AS and the note below explains the principal adjustments made in restating the financial statements from previous GAAP to Ind AS.

Exemptions applied

Ind AS 101 provides certain exemptions from the retrospective application of certain requirements as per Ind AS, the Group has applied the below exemption while preparing Ind AS financials.

i. The Group has elected to avail exemption under Ind AS 101 which permits a first-time Ind AS adopter to elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind AS). Accordingly, the Group has elected to measure all assets and liabilities arising out of business combinations that occurred before the date of transition to Ind AS at their Previous GAAP carrying values.

ii. The Group has elected to avail exemption under Ind AS 101, to use Previous GAAP carrying value of its property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with Previous GAAP.

Reconciliation of equity as at 01 April 2019 (date of transition to Ind AS)

	Footnotes	Previous GAAP*	Adjustments	Ind AS
Assets				
Non-current Assets				
Property, plant and equipment		2,205.18	-	2,205.18
Other intangible assets		200.00	-	200.00
		2,405.18	-	**2,405.18**
Current Assets				
Inventories		10,633.06	-	10,633.06
Financial assets				
Trade receivables		5,049.39	-	5,049.39
Cash and cash equivalents		-	-	-
		15,682.45	-	**15,682.45**
Total Assets		**18,087.62**	-	**18,087.62**
Equity and Liabilities				
Equity				
Owner's net investment		15,236.49	-	15,236.49
Total Equity		**15,236.49**	-	**15,236.49**
Non-current liabilities				
Financial liabilities				
Other payables		750.00	-	750.00
		750.00	-	**750.00**
Current liabilities				
Financial liabilities				
Trade payables		1,665.74	-	1,665.74
Other current liabilities		435.39	-	435.39
		2,101.13	-	**2,101.13**
Total liabilities		**2,851.13**	-	**2,851.13**
Total equity and liabilities		**18,087.62**	-	**18,087.62**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Jagdish P. Khokhani * C.A. M. No. 42708 Mumbai-62. Chartered Accountants

(in INR 000's)

Reconciliation of equity as at 31 March 2020

	Footnotes	Previous GAAP*	Adjustments	Ind AS
Assets				
Non-current Assets				
Property, plant and equipment		1,675.30	-	1,675.30
Other intangible assets		200.00	-	200.00
		1,875.30	-	1,875.30
Current Assets				
Inventories		11,116.76	-	11,116.76
Financial assets				
Trade receivables		8,479.19	-	8,479.19
Cash and cash equivalents		-	-	-
		19,595.95	-	19,595.95
Total Assets		21,471.25	-	21,471.25
Equity and Liabilities				
Equity				
Owner's net investment		18,936.16	-	18,936.16
Total Equity		18,936.16	-	18,936.16
Non-current liabilities				
Financial liabilities				
Other payables		750.00	-	750.00
		750.00	-	750.00
Current liabilities				
Financial liabilities				
Trade payables		1,785.09	-	1,785.09
Other current liabilities		-	-	-
		1,785.09	-	1,785.09
Total liabilities		2,535.09	-	2,535.09
Total equity and liabilities		21,471.25	-	21,471.25

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Reconciliation of profit or loss for the year ended 31 March 2020

	Footnotes	Previous GAAP*	Adjustments	Ind AS
Revenue from operations		81,444.87	-	81,444.87
Total Income		81,444.87	-	81,444.87
Cost of raw material and components consumed		8,068.57	-	8,068.57
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods		999.68	-	999.68
Employee benefits expense		31,062.19	-	31,062.19
Depreciation and amortization expense		555.88	-	555.88
Finance costs		16.25	-	16.25
Other expenses		11,234.48	-	11,234.48
Total expense		51,937.04	-	51,937.04
Profit before tax		29,507.83	-	29,507.83
(1) Current tax		8,209.08	-	8,209.08
(2) Deferred tax		-	-	-
Income tax expense		8,209.08	-	8,209.08
Profit after tax		21,298.75	-	21,298.75
Other comprehensive income		-	-	-
Total comprehensive income for the year, net of tax attributable to equity holders		21,298.75	-	21,298.75

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Prospective adjustments

1 Revenue
2 Inventory
3 Amortization of intangible assets

Jagdish P. Khokhani F.C.A. M. No. 42708 Mumbai-62. Chartered Accountants

25 **Impact of COVID- 19**

The Company has assessed the impact of COVID - 19 and concluded that there is no material impact on the operations of the Abgel Division and no material adjustment is required at this stage in the Special Purpose Carve-out Financial Statements for the year ended March 31, 2021. However, the Company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact may be different from the estimates considered while preparing these Special Purpose Carve-out Financial Statements.

26 **Subsequent events**

Pursuant to board approval dated 20th May 2021, the Company entered into a Business Transfer Agreement (BTA) dated 26 May 2021 with Sri Gopal Krishna Labs Private Limited to purchase & transfer its "Agbel" division and associated business at going concern on a slump sale basis for an agreement value of INR 550 million.

As per our report of even date

For Jagdish Pritamlal Khokhani
Chartered Accountants
ICAI Firm registration number: 00042708

Jagdish Pritamlal Khokhani
Proprietor
Membership no.: 042708
Place: Mumbai
Date: 01.09.2021

Jagdish P. Khokhani
F.C.A.
M. No. 42708
Mumbai-62.
Chartered Accountants

For and on behalf of Board of Directors of
Healthium Medtech Limited - Abgel Division

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792
Place: Bengaluru
Date: 01.09.2021

Mohammed Azeez
Director
DIN: 03527725
Place: Bengaluru
Date: 01.09.2021

Independent Auditors' report

To the Board of Directors of **CARENOW MEDICAL PRIVATE LIMITIED,**

Report of the Independent Auditor on the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **CARENOW MEDICAL PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at 31st March 2021, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Special Purpose Financial Statements have been prepared for the purpose of preparation of proforma financial information for the year ended 31 March 2021 which would be included in the offer document prepared by the Company's Holding Company, Healthium Medtech Limited, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of the Company's Holding Company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

65/7-D, 5th Street,
Kamaraj Nagar,
Avarampalayam,
Coimbatore -
641006.

Branch :
111, Lake Darshan Nagar,
Puthenpurayil, Vadakkumbhogam,
Kollam - 691001.

+91 422 3500 229, 30
accamma2003@gmail.com
www.accamma.com
+91 89033 22952

ACCAMMA & CO.
CHARTERED ACCOUNTANTS

Independent Auditors' report

Management's responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 ("the Act"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

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

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

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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

• Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

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

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

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Other Matters

The company has prepared a separate set of financial statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 in accordance with the Accounting Standards specified under section 133 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 on which we have issued a separate auditor's report to the shareholders of the company dated July 14, 2021, October 28, 2020 and September 18, 2019, respectively.

Basis of preparation

We draw attention to Note 2 to the Special Purpose Financial Statements, which describes the basis of preparation of the Special Purpose Financial Statement.

Restriction on Distribution and Use

This report is intended solely for purpose of preparation of proforma financial information for the year ended 31 March 2021 which would be included in the offer document prepared by the Company's Holding Company, Healthium Medtech Limited and for the purpose of inclusion in the offer document.

Place: Coimbatore
Date : 31-08-2021

For Accamma & Co
Firm registration no : 010155S
Chartered Accountants

Sivakumar V
Partner
Membership no : 215453
UDIN: 21215453AAAACR4662

65/7-D, 5th Street, Kamaraj Nagar, Avarampalayam, Coimbatore - 641006.

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Notes to the financial statement for the year ended 31st March 2021

1. Corporate information

CareNow Medical Private Ltd is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of manufacturing Infection control products.

2. Basis of preparation

The special purpose financial statements comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The special purpose financial statements of CareNow Medical Private Limited for the year ended 31 March 2021 have been prepared for the purpose of preparation of proforma financial information for the year ended 31 March 2021 which would be included in the Draft Red Herring Prospectus (DRHP) prepared by the Company's Holding Company, Healthium Medtech Limited, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of the Company's Holding Company.

The special purpose financial statements contains a complete set of financial as described in Ind AS 1 'Presentation of Financial Statement' and Schedule III of the Companies Act and prepared in line with holding company's accounting policies. The special purpose financial statements consists of the balance sheet as at 31 March 2021 and statement of profit and loss, statement of change in equity ('SOCIE') and statement of cash flows for the period ended 31 March 2021. The transition date to Ind AS considered by the Company for this specific purpose is 1 April 2019.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Company has presented its financial statements in Indian Rupees ("INR") and all values are rounded off to the INR lakhs, except otherwise indicated.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Impairment of financial assets

In accordance with Ind AS 109, the company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The company provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the company.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b. Current versus non-current classification

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

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

c. Foreign currencies

The financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the period in which they arise.

d. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services. To recognize revenues, the company applies following five step approach:

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognize revenues when a performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

At contract inception, the company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the services rendered:

i. Sale of products

Revenue on product sales are recognized when the customer obtains control of the specified asset.

ii. Interest income

Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

iii. Royalty income

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

e. Income taxes

Tax expense comprises of current tax and deferred tax and is recognised in the Statement of profit and loss.

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss (either in other comprehensive income or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in the OCI or in the equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the deferred taxes related to the same taxable entity and the same taxation authority.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as the reporting date.

f. Property, plant & equipment

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use is capitalised up to the date the assets are ready for commercial use.

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Gains or losses arising from derecognition of property, plant and equipment are measured as differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year's end and adjusted prospectively, if appropriate

Property, plant & equipment are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant & Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant & Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

During the period of development, the asset is tested for impairment annually

Intellectual Property rights

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed and developed products, trademarks, industrial and other designs, service marks, copy rights and other application license and rights are capitalised. The Company capitalises such intangible assets when the receipt of economic benefits embodied in each intangible asset separately purchased or licensed in the transaction is considered to be probable. The criteria for capitalisation of such assets are consistent with the guidance given in paragraph 25 of Indian Accounting Standard 38.

h. Borrowing costs

Borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. Depreciation on Property, plant & equipment

Depreciation on Property, plant and equipment and Right of use assets is calculated on a written down value method using the rates arrived at based on the useful life of the assets prescribed under Schedule II to the Companies Act 2013 except in case of certain assets wherein depreciation is calculated using the rates arrived at based on the useful life estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The company has taken following useful life for provide depreciation on its Property, Plant & Equipment.

Assets	Useful years	% of Depreciation
Buildings	30 years	9.50
Electrical fittings	10 years	25.89
Office equipment's	5 years	45.07
Computer	3 years	63.16
Furniture and fittings	10 years	25.89
Vehicles – Motor cycles	10 years	25.89
Vehicles – Motor cars	6 years	39.30
Plant and machinery	15 years	18.10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Amortisation

Intangibles are amortised on a straight-line basis over the estimated useful economic life. Amortisation of internally developed asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful economic life of intangibles are as below:

Assets	Useful years	% of Depreciation
Computer software	5 years	20.00
Other Intangible assets	6 years	16.67

k. Inventories

Raw materials and components are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

I. Impairment of assets

Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected in a separate line under the head 'other expenses' in the statement of profit and loss account. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

m. Provisions and contingencies

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a roliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance are defined contribution schemes. The company has no obligation, other than the contribution payable. The company recognizes contribution payable as an expense, when an employee renders the related service. If the contribution payablo to the scheme for service received before the balance sheet date exceeds the contribution already paid, the doficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund i.e. Employee's Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs; past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss.

The amendments to Ind AS 19 – Employee Benefits, address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the company as it did not have any plan amendments, curtailments, or settlements during the year.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all potentially dilutive securities.

p. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cheques in hand and cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above.

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

r. Fair value measurement

The company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marked participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient date are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

s. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit or loss.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is hold within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii)Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

t. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

u. Recent Pronouncements on significant accounting policies

Recent pronouncements on 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division

II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

(1) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
(2) Specified format for disclosure of shareholding of promoters.
(3) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
(4) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
(5) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

v. Government grants, subsidies and export incentives

Grants relating to assets are shown as a deferred income in the balance sheet and is recognised in the profit and loss account on a systematic and rational basis over the useful life of the asset.

Grants relating to income are shown under Other Income in the profit and loss statement.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(₹ in lakhs)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
I	**ASSETS**				
	NON-CURRENT ASSETS				
	(a) Property, Plant and Equipment	3	954.56	462.55	401.05
	(b) Capital Work-in-Progress	4	-	108.12	31.23
	(c) Intangible Assets	5	113.23	101.58	122.53
	(d) Financial Assets				
	(i) Other Financial Assets	6	3.88	2.67	2.81
	(e) Other Non-current Assets	7	-	93.54	-
	SUB-TOTAL		1,071.67	768.47	557.61
	(a) Inventories	8	848.36	451.45	296.18
	(b) Financial Assets				
	(ii) Trade Receivables	9	242.09	222.63	88.14
	(iii) Cash and Cash Equivalents	10	71.47	37.46	9.54
	(iv) Bank balances (other than cash and cash equivalents)	11	55.79	-	-
	(c) Current tax assets (net)	12	-	-	19.14
	(d) Other Current Assets	13	141.62	268.88	72.15
	SUB-TOTAL		1,359.33	980.42	485.15
TOTAL ASSETS			**2,431.01**	**1,748.88**	**1,042.77**
II	**EQUITY**				
	(a) Equity share capital	14	3.38	3.38	3.38
	(b) Other equity	15	1,791.70	937.21	541.52
	SUB-TOTAL		1,795.08	940.59	544.90
III	**LIABILITIES**				
	NON-CURRENT LIABILITIES				
	(a) Financial liabilities				
	(i) Long Term Borrowings	16	18.35	193.15	193.98
	(b) Long Term Provisions	17	5.30	5.08	-
	(c) Deferred tax liabilities (net)	18	1.31	2.30	1.54
	(d) Other Non-current liabilities	19	55.79	-	-
	SUB-TOTAL		80.75	200.52	195.53
	CURRENT LIABILITIES				
	(a) Financial liabilities				
	(i) Short Term Borrowings	20	437.26	228.91	221.24
	(ii) Trade payables	21	50.58	109.90	40.30
	(iii) Other financial liabilities	22	33.17	10.90	33.15
	(b) Short Term Provisions	23	6.25	2.39	1.83
	(c) Other current liabilities	24	14.96	160.39	5.82
	(d) Current tax liabilities (net)	25	12.96	65.28	-
	SUB-TOTAL		555.18	607.77	302.34
TOTAL EQUITY AND LIABILITIES			**2,431.01**	**1,748.88**	**1,042.77**

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the special purpose financial statements.
As per our report of even date
For Accamma & Co
Firm registration no : 010155S
Chartered Accountants

(Sivakumar V)
Partner
Membership no : 215453

For and on behalf of the board of directors

(Venkatachalam Anand)
Managing Director
DIN: 03192263

(Thangaraj Rajkumar)
Director
DIN: 02127445

Place : Coimbatore
Date : 31/8/2021
UDIN : 21215453AAAACR4662

CareNow Medical Private Limited
[illegible]

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Continuing Operations			
I Revenue from operations	26	4,350.00	2,072.86
II Other Income	27	16.12	14.01
III Total Revenue (I + II)		**4,366.12**	**2,086.87**
IV EXPENSES			
(a) Cost of materials consumed	28	2,323.18	811.07
(b) Purchases of stock-in-trade	29	-	-
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	30	(39.81)	35.56
(d) Employee benefit expenses	31	386.22	224.99
(e) Finance costs	32	56.91	56.66
(f) Depreciation and amortisation expense	33	116.40	107.60
(h) Other expenses	34	379.75	299.08
Total Expenses		**3,222.66**	**1,534.96**
V Profit/(loss) before exceptional items and tax (III - IV)		**1,143.46**	**551.91**
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V - VI)		**1,143.46**	**551.91**
VIII Tax Expense			
(a) Current tax		290.18	155.47
(b) Deferred tax		(0.99)	0.75
Total tax expense		**289.19**	**156.22**
IX Profit from continuing operations (VII - VIII)		**854.26**	**395.69**
X Other comprehensive income			
Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities/(asset)		0.30	-
(b) Income tax relating to above items		(0.08)	-
XI Total comprehensive income for the period (IX + X)		**854.64**	**395.69**
XII Earnings per equity share (from continuing operations)			
Basic (₹)	36	25,274	11,707
Diluted (₹)		25,274	11,707

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the special purpose financial statements.
As per our report of even date
For Accamma & Co
Firm registration no : 010155S
Chartered Accountants

[Sivakumar V]
Partner
Membership no : 215453

Place : Coimbatore
Date : 31/8/2021
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For and on behalf of the board of directors

[Venkatachalam Anand]
Managing Director
DIN: 03192263

[Thangaraj Rajkumar]
Director
DIN: 02127445

CareNow Medical Private Limited

[illegible]

(₹ in lakhs)

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
Cash flows from operating activities				
Profit before tax for the year		1,143.46		551.91
Adjustments for:				
Depreciation and amortisation expense	116.40		107.60	
Finance costs	56.91		56.66	
Interest income	(0.21)		(0.20)	
Non cash transaction	3.29		8.91	
		176.39		172.98
Operating profit before working capital changes		1,319.85		724.88
Movements in working capital:				
(Increase)/decrease in trade receivables	(19.46)		(134.49)	
(Increase)/decrease in inventories	(396.91)		(155.27)	
(Increase)/decrease in other current assets	127.25		(196.73)	
(Increase)/decrease in prepaid income taxes	(187.11)		34.59	
(Decrease)/increase in borrowings	208.34		7.67	
(Decrease)/increase in trade payables	(59.31)		69.60	
(Decrease)/increase in other financial liabilities	7.36		(0.76)	
(Decrease)/increase in provisions	3.86		0.56	
(Decrease)/increase in other current liabilities	(145.43)		154.56	
		(461.41)		(220.26)
Cash generated from operations		858.44		504.63
Income taxes paid		158.24		19.28
Net cash generated by operating activities (A)		700.21		485.35
Cash flows from investing activities				
Interest received	0.21		0.20	
Payments for acquisition of property, plant and equipment incuding	(373.94)		(315.59)	
Proceeds from disposal of property, plant and equipment	-		1.45	
Purchase of intangible assets	(44.45)		(4.45)	
(Increase)/Decrease of other financial assets	(1.21)		0.14	
Net cash (used in)/generated by investing activities (B)		(419.40)		(318.26)
Cash flows from financing activities				
Proceeds from borrowings	13.51		194.21	
Repayment of borrowings	(203.40)		(186.53)	
Interest paid	(56.91)		(56.66)	
Receipt of Government Grant	55.79		-	
Net cash used in financing activities (C)		(191.01)		(48.98)
Net increase in cash and cash equivalents (A+B+C)		89.79		118.11
Cash and cash equivalents at the beginning of the year		127.65		9.54
Cash and cash equivalents at the end of the year		217.44		127.65

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS-7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
2. Previous year's figures have been regrouped and rearranged wherever necessary.

The accompanying notes are an integral part of the special purpose financial statements.

As per our report of even date
For Accamma & Co
Firm registration no : 010155S
Chartered Accountants

[Sivakumar V]
Partner
Membership no : 215453

For and on behalf of the board of directors

[Venkatachalam Anand]
Managing Director
DIN: 03192263

[Thangaraj Rajkumar]
Director
DIN: 02127445

Place : Coimbatore
Date : 31/8/2021
UDIN : 21215453AAAA4662

Carenow Medical Private Limited

Statement of Changes in Equity for the year ended 31st March 2021

A. Equity share capital

(₹ in lakhs)

Particulars	No. of shares	Amount
As at 1 April 2019	3,380	3.38
Changes in equity share capital during the year	-	-
As at 31 March 2020	3,380	3.38
Changes in equity share capital during the year	-	-
As at 31 March 2021	3,380	3.38

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Securities Premium	Retained Earnings	Employee defined benefit plan	
As at 1 April 2019	204.68	336.84	-	541.52
Profit / (Loss) for the period	-	395.69	-	395.69
Other Comprehensive Income / (Loss)	-	-	-	-
As at 31 March 2020	204.68	732.53	-	937.21
Profit / (Loss) for the period	-	854.26	-	854.26
Other Comprehensive Income / (Loss)	-	-	0.22	0.22
As at 31 March 2021	204.68	1,586.79	0.22	1,791.70

As per our report of even date
For Accamma & Co
Firm registration no : 010155S
Chartered Accountants

(Sivakumar V)
Partner
Membership no : 215453

Place : Coimbatore
Date : 31/8/2021
UDIN: 21215453AAAACR4662

For and on behalf of the board of directors

(Venkatachalam Anand)
Managing Director
DIN: 03192263

(Thangam Rajkumar)
Director
DIN: 02127445

(B) Other Notes to Financial Statements

3. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Free hold Land	Buildings	Plant and machinery	Furniture & Fixture	Motor Vehicle	Office Equipment	Computer	Electrical Installation	Total
Net block									
At 1 April 2019	62.84	155.19	137.60	9.86	5.67	0.70	1.67	27.53	401.05
Additions	-	31.55	86.04	1.50	22.27	0.11	4.04	0.31	145.81
Deletions	-	-	-	-	(1.76)	-	(0.35)	-	(2.11)
At 31 March 2020	62.84	186.74	223.64	11.36	26.18	0.80	5.36	27.84	544.76
Additions	-	322.85	202.92	13.15	19.73	1.85	3.74	11.37	575.61
Deletions	-	-	-	-	-	-	-	-	-
At 31 March 2021	62.84	509.59	426.57	24.52	45.90	2.65	9.09	39.20	1,120.36
Depreciation and impairment									
At 1 April 2019	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	17.74	40.48	2.95	10.22	0.23	3.38	7.21	82.21
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	17.74	40.48	2.95	10.22	0.23	3.38	7.21	82.21
Depreciation charge for the year	-	20.42	45.74	2.75	6.71	0.34	1.59	6.05	83.60
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2021	-	38.16	86.22	5.70	16.92	0.57	4.97	13.26	165.80
Net book value									
At 31 March 2020	62.84	169.00	183.16	8.41	15.96	0.58	1.97	20.63	462.55
At 31 March 2021	62.84	471.44	340.35	18.82	28.98	2.08	4.12	25.95	954.56

Notes:

(i) For Property, plant and equipment existing as on 1st April,2019, i.e., the date of transition to Ind AS, the Company has elected to use Previous GAAP carrying values as deemed costs under Ind AS.

(ii) Property, plant and equipment pledged as security against borrowings are stated in Note No:16 & 20. Presecribed charges under Companies Act, 2013, have been filed with the Registrar of Companies in respect of these loans. As on 31st March 2021, charge against assets of the company exist in case of the following:

a) Free hold land, and Buildings :- A charge has been executed by the company against the cash credit facility availed.

b) Vehicles : - A charge has been executed by the company against the vehicle loan availed.

4. Other Intangible Assets

(₹ in lakhs)

Particulars	Computer Software	Copyrights, Patents & Other Intangible Assets	Total
Net block			
At 1 April 2019	-	147.03	147.03
Additions	4.45	-	4.45
Deletions	-	-	-
At 31 March 2020	4.45	147.03	151.48
Additions **	-	44.45	44.45
Deletions	-	-	-
At 31 March 2021	4.45	191.48	195.93
Amortisation and impairment			-
At 1 April 2019	-	24.51	24.51
Amortisation charge for the year	0.89	24.51	25.40
Disposals	-	-	-
At 31 March 2020	0.89	49.01	49.90
Amortisation charge for the year	0.89	31.91	32.80
Disposals	-	-	-
At 31 March 2021	1.78	80.92	82.70
Net book value			-
At 31 March 2020	3.56	98.02	101.58
At 31 March 2021	2.67	110.56	113.23

Notes:

For Intangible assets existing as on 1st April,2019, i.e., the date of transition to Ind AS, the Company has elected to use Previous GAAP carrying values as deemed costs under Ind AS.

**(The Company has capitalised the research & development and associated costs in relation to the US FDA registration of the company's product to tap the US market during the current year for Rs.44.45 lacs)

5. Capital Work-in-Progress

(₹ in lakhs)

Particulars	Buildings
Cost/Deemed cost	
At 1 April 2019	31.23
Additions	108.44
Withdrawn during the year	31.55
At 31 March 2020	108.12
Additions	-
Withdrawn during the year	(108.12)
At 31 March 2021	-

6. Other financial assets

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Fixed deposit with scheduled banks	3.22	2.67	2.33
EB deposit	0.66	-	0.48
Total	3.88	2.67	2.81

7. Other Non-current Assets

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Capital advances	-	93.54	-
Total	-	93.54	-

8. Inventories

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Raw Materials	658.73	301.63	110.80
Finished Goods	189.63	149.82	185.38
Total	848.36	451.45	296.18

Inventories are valued at cost or net realisable value whichever is lower. Cost is ascertained on a weighted average basis

9. Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Trade Receivables	255.89	230.36	88.82
Less: Provision recognised for expected credit losses	13.80	7.73	0.68
	242.09	222.63	88.14
Break-up of security details			
Unsecured and considered good	242.09	222.63	88.14
Total	242.09	222.63	88.14

Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Provision for Expected credit loss

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Balance at Beginning of the Period	7.73	0.68	0.68
Add: Current year loss allowance provided	15.63	12.29	-
Less: Bad debts written off	9.56	5.24	-
Balance at the end of the period	13.80	7.73	0.68

10. Cash and Bank Balance

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Balances with banks			
(i) On current accounts	70.54	36.20	9.21
(ii) On EEFC accounts	-	0.15	-
Cash on hand	0.93	1.12	0.33
Total	71.47	37.46	9.54

11. Bank balances (other than cash and cash equivalents)

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Government grants held in escrow account pending utilisation	55.79	-	-
Total	55.79	-	-

12. Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Prepaid Income Taxes	-	-	34.59
Provision for income tax	-	-	(15.45)
Total	-	-	19.14

13. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Advance for purchases	100.91	193.07	61.39
Advances for expenses	0.67	11.57	0.58
Salary advances	0.02	0.12	0.02
Balances with government authorities	35.77	63.68	9.72
Interest accrued on deposits	0.40	0.20	0.45
Other advances	3.85	0.23	-
Total	141.62	268.88	72.15

14. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Authorized Share Capital			
5,000 equity shares of Rs. 100/- each	5.00	5.00	5.00
Issued & subscribed capital			
3,380 equity shares of Rs. 100/- each	3.38	3.38	3.38
Total	3.38	3.38	3.38

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

(₹ in lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020		As at 1st April 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	3,380	3.38	3,380	3.38	3,380	3.38
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	3,380	3.38	3,380	3.38	3,380	3.38

b. Terms/Rights attached to the equity shares

The Company has only one class of equity shares having a par value of ₹ 100/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of the Equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to he number of equity shares held by the Shareholders.

c. Shares held by Holding Company or Ultimate Holding Company - Nil.

d. Details of shareholders' holding more than 5% shares in the company

Name of the Shareholder	As at 31st March 2021		As at 31st March 2020		As at 1st April 2019	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Equity Shares						
SKL Medtech (P) ltd	-	0.00%	1,690	50.00%	1,690	50.00%
Anand Venkatachalam	986	29.17%	845	25.00%	845	25.00%
Thangaraj Rajkumar	676	20.00%	676	20.00%	676	20.00%
R. Venkatachalam	169	5.00%	169	5.00%	169	5.00%
Michael Bastian Rodrigues	337	9.97%	-	0.00%	-	0.00%
K. A. Urmila	225	6.66%	-	0.00%	-	0.00%
K. V. Bavanthi	225	6.66%	-	0.00%	-	0.00%

e. No shares have been issued as fully paid up pursuant to with contract without payment being received in cash, bonus shares and shares bought back in the immediately preceding 5 years

15. Other Equity

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
(a) Securities Premium	204.68	204.68	204.68
(b) Retained Earnings	1,586.79	732.53	336.81
(c) Other Comprehensive Income	0.22	-	-
Total	1,791.70	937.21	541.52

Refer "Statement of Changes in Equity" for additions/deletions in each reserve

Notes:

1. Retained Earnings represents the surplus/accumulate earnings of the company and are available for distribution to shareholders.
2. Securities premium reserve is created due to premium on issue of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.

16. Long Term Borrowings

(₹ in lakhs)

Particulars	Non-Current			Current		
	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Secured Loans						
Term Loans						
From Banks	18.35	81.05	28.54	9.36	24.45	15.93
Unsecured Loans						
Unsecured loan from directors & relatives	-	112.10	165.45	-	-	-
Total	18.35	193.15	193.98	9.36	24.45	15.93

Details of amount outstanding, terms of repayment & security details:

Term Loans from Bank

(a) Term Loans from IndusInd Bank

(₹ in lakhs)

As at 31st March 2021	As at 31st March 2020	As at 1st April 2019	Terms of Loan
-	29.42	38.03	Term Loan from Indusind Bank towards purchase of machinery of ₹.43,05,000/- (Rupees Forty Lakhs five thousand only) at the interest rate of 10.00% p.a has been availed during the FY 2018-19. The outstanding balance as at 31st March 2021 is Rs. Nil.
-	57.39	-	Term loan for construction of factory building from Indusind Bank of ₹.1,00,00,000/- (Rupees One Crore only) at the interest rate of 10.25% p.a has been availed during the FY 2019-20.
-	-	4.41	Term loan for purchase of machinery from Indusind Bank of ₹.7,50,000/- (Rupees Twenty Four Lakhs only) at the interest rate of 10.00% p.a has been availed during the FY 2018-19. The outstanding balance as at 31st March 2021 is Rs. Nil.

(b) Term Loans from Federal Bank

As at 31st March 2021	As at 31st March 2020	As at 1st April 2019	Terms of Loan
14.20	18.69	-	Vehicle loan from Fedral Bank amounting to ₹.20,50,000/- (Rupees Twenty lakhs Fifty Thousand only) at the interest rate of 9.90% p.a has been borrowed during the FY 2019-20.
13.51	-	-	Vehicle loan from HDFC Bank amounting to ₹.13,85,000/- (Rupees Thirteen Lakhs Eighty five Thousand only) at the interest rate of 7.65% p.a has been borrowed during the FY 2020-21.

(c) Term Loans from Axis Bank

As at 31st March 2021	As at 31st March 2020	As at 1st April 2019	Terms of Loan
-	-	2.03	Vehicle loan from Axis Bank amounting to ₹.9,33,000/- (Rupees Nine lakhs Thirty Three Thousand only) at the interest rate of 9.05% p.a has been borrowed during the FY 2016-17.

(d) Security details

The above term loans from Banks are secured by first and exclusive charge on the hypothecated vehicles.

17. Long Term Provisions

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Provision for Employee Benefits			
Gratuity	5.30	5.08	-
Total	**5.30**	**5.08**	**-**

18. Deferred Tax Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Deferred Tax Liabilities on account of			
Difference in WDV of PPE and treatment of expenses in Income Tax Act	1.31	2.30	1.54
Total	**1.31**	**2.30**	**1.54**

19. Other Non-current liabilities

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Deferred Income - (Government Grant from BIRAC)	55.79	-	
Total	**55.79**	**-**	**-**

20. Short Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 1st April 2019
Secured Working Capital facilities from HDFC Bank	437.26	228.91	221.24
Total	**437.26**	**228.91**	**221.24**

(i) The company has a working capital loan with HDFC Bank. Sanctioned limit is ₹ 7.00 Crores. Outstanding balance as on 31.03.2021 is ₹ 4.37 Crores. Interest rate - 7.95% p.a.

(ii) The aforementioned loan from Bank is primarily secured by stock and book debts and (present and future) of the Company.

(iii) The facilities are also collaterally secured by land and building owned by the company located at Neelambur Village in Coimbatore.

(iv) The working capital facilities from bank are further secured by personal guarantees of Managing Director - Mr. Anand Venkatachalam and Director - Mr. Rajkumar Thangaraj of the Company.

21. Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade Payables			
(i) Total outstanding dues of micro and small enterprises	11.84	56.27	8.14
(ii) Total outstanding dues of creditors other than micro and small enterprises	38.74	53.63	32.16
Total	50.58	109.90	40.30

22. Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term borrowing (Refer Note 12)	9.36	24.45	15.93
(b) Creditors for capital goods	0.13	15.61	2.43
(c) Employee benefits payable	23.68	0.85	14.79
Total	33.17	40.90	33.15

23. Short Term Provision

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits			
Provision for provident and other employment related funds	6.13	2.29	1.83
Provision for gratuity	0.12	0.10	-
TOTAL	6.25	2.39	1.83

24. Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Advance received from customers	7.73	154.33	-
(b) Other payables			
Statutory due payable	1.91	1.81	1.58
Others	4.30	4.24	4.24
Reimbursement due for expenses incurred	1.02	-	-
Total	14.96	160.39	5.82

25. Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Prepaid Income Taxes	(277.30)	(90.19)	-
Provision for income tax	290.26	155.47	-
TOTAL	12.96	65.28	-

26. Revenue from Operations

(₹ in lakhs)

Particulars	2020-21	2019-20
Revenue from Sale of Products		
Manufactured goods	4,296.90	2,066.91
(i)	4,296.90	2,066.91
Other operating revenues		
Scrap Sales	-	0.71
Duty drawback	4.90	5.24
Packing & Forwarding Charges	5.90	-
Royalty income	42.30	-
(ii)	53.10	5.95
Total Revenue from Operations (i+ii)	4,350.00	2,072.86
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	3,790.27	1,420.67
b. Exports	506.63	646.25
Total Revenue from Operation	4,296.90	2,066.91
Reconciliation of Gross Revenue from Contracts With Customers		
Gross Revenue	4,519.66	2,084.55
Less : Returns	(222.76)	(17.64)
Net Revenue recognised from Contracts with Customers	4,296.90	2,066.91

27. Other Income

(₹ in lakhs)

Particulars	2020-21	2019-20
Interest Income from:		
Financial assets carried at amortised cost		
— Deposits with banks and others	0.21	0.20
(i)	0.21	0.20
Other non-operating income:		
Discount received	0.00	0.19
Certification Charges income	-	0.37
Other Income	0.01	0.56
Creditors written back	15.47	5.42
Net gain on foreign currency transactions and translation	0.43	7.28
(ii)	15.91	13.81
Total Other Income	16.12	14.01

28. Cost of materials consumed

(₹ in lakhs)

Particulars	2020-21	2019-20
Raw materials consumed		
Raw materials at the beginning of the year	301.63	110.80
Add : Purchases	2,680.29	1,001.89
Less : Raw materials at the end of the year	(658.74)	(301.63)
Total	2,323.18	811.07

29. Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

Particulars	2020-21	2019-20
Opening Balance		
Finished goods	149.82	185.38
Closing Balance		
Finished goods	189.63	149.82
Total	(39.81)	35.56

30. Employee benefit expenses

(₹ in lakhs)

Particulars	2020-21	2019-20
Salaries, Wages and bonus	348.96	196.48
Contribution to provident funds and other funds	18.74	12.76
Gratuity	2.03	5.18
Staff welfare expenses	16.49	10.56
Total	386.22	224.99

31. Finance Cost

(₹ in lakhs)

Particulars	2020-21	2019-20
Interest on Bank borrowings	39.66	52.07
Other borrowing cost	1.71	0.92
Bank Charges	3.72	1.48
Interest on delayed payment of statutory dues	11.83	2.19
Total	**56.91**	**56.66**

32. Depreciation and Amortisation expenses

(₹ in lakhs)

Particulars	2020-21	2019-20
Depreciation on plant, property and equipment	83.60	82.21
Amortisation on Intangible assets	32.80	25.40
Total	**116.40**	**107.60**

33. Other Expenses

(₹ in lakhs)

Particulars	2020-21	2019-20
Auditor's Renumeration (Refer Note 33.1)	4.42	2.13
Advertisements	0.10	1.14
Business promotion	2.03	11.83
Certification Charges	0.36	1.84
Commission paid	1.67	2.01
Consulting Fees	1.64	17.80
Corporate social responsibility expense (refer Note 33.2)	5.57	-
Development Chagres	-	0.30
Die Cost	0.09	0.27
Documentation	23.20	28.36
Donation	-	1.50
Freight & Forwarding	202.54	101.33
Legal and Professional fees	1.34	0.58
Insurance	5.40	5.44
Loss due to cyber crime theft	27.20	-
Marketing conveyance	0.72	5.34
Packing and forwarding	2.05	-
Postage & Courier	6.23	4.37
Power and fuel	13.28	11.85
Printing & Stationery	4.74	4.35
Rates and Taxes	3.79	3.23
Repairs and maintenance	-	-
--- Plant and machinery	13.17	4.60
--- Others	8.26	6.34
Research & Development	4.33	18.22
Sterlisation Expenses	4.94	10.40
Telephone and communication charges	1.91	2.23
Testing Charges	3.74	3.57
Travel and Conveyance	6.87	13.86
Allowance for doubtful debts and advances (net)	15.63	12.29
Miscellaneous Expenses	14.53	23.90
Total Other Expenses	**379.75**	**299.08**

Note 33.1 : Payment to Auditors

(₹ in lakhs)

Particulars	2020-21	2019-20
As Auditor:		
— Audit Fee	1.00	0.58
— Tax Audit	0.25	0.10
In other capacity:		
— Taxation matters	0.15	0.45
— Certification matters	1.52	0.35
— For Goods and Service Tax	1.10	0.37
— Other services	0.41	0.28
Total	4.42	2.13

Note 33.2 : Corporate social responsibility expense

(₹ in lakhs)

Particulars	2020-21	2019-20
Amount required to be spent as per Section 135 of the Companies Act, 2013	5.52	-
Amount spent during the year on:		
Free distribution of sanitizers & face masks	5.57	-
Total CSR Expenses	5.57	-

34. Employee Benefits

(a) Defined contribution plans :

The Company makes contributions towards provident fund and employee's state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The Employees state insurance is operated by the Employees State Insurance Corporation. Contributions are made at the specified rate of percentage to payroll cost as per the regualtions to fund the benefits.

The total expenses recognized in the Statement of Profit and Loss of ₹ 18.74 lakhs (for the year ended March 31, 2020: ₹ 12.76 lakhs) represents contributions payable to these plans by the Company.

(b) Defined benefit plans :

Gratuity

The company provides the Gratuity benefit through annual contributions to the fund managed by Life Insurance Corporation of India (LIC). The following table sets out the details of the defined benefits obligations and amount recognised in the financial statements.

(i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Discount rate(s)	6.97%	7.15%
Expected Return on Assets	-	-
Salary Escalation	7.00%	7.00%
Attrition Rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-	

(ii) Amount recognized in statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Current service cost	2.03	5.18
Net Interest on Defined Benefit Obligations	0.30	-
Past service cost	-	-
Expenses recognized in the statement of profit and loss	**2.33**	**5.18**

(iii) Movements in the present value of the defined benefit obligation are as follows:

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Present value of obligations as at the beginning of the year	5.18	-
Current service cost	2.03	-
Past service cost	-	-
Interest Cost	0.30	-
Actuarial(Gains)/Losses	(0.30)	-
Benefits Payments	(1.79)	-
Present value of obligations as at the end of the year	**5.42**	-

(iv) Net Asset / (Liability) recognized in Balance Sheet:

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Present value of obligations	5.42	-
Fair Value of Plan Assets	-	-
Net Asset / (Liability) Recognised in Balance Sheet	**5.42**	-

(v) Sensitivity analysis:

(₹ in lakhs)

Particulars	31-03-2021	31-03-2020
Discount rate + 100 basis points	4.78	4.57
Discount rate - 100 basis points	6.21	5.94
Salary Escalation rate + 100 basis points	6.18	5.91
Salary Escalation rate - 100 basis points	4.79	4.58
Attrition rate + 1%	5.32	5.09
Attrition rate - 1%	5.53	5.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected contribution to the plan for the next annual reporting period is ₹ 5.96 lakhs.

35. Fair value disclosure

(a) Financial instruments by category

The carrying values of financial instruments by categories as at March 31, 2021 were as follows:

(₹ in lakhs)

Particulars	Note	As at April 1, 2019	As at March 31, 2020	As at March 31, 2021
Financial Assets				
Fixed deposit with scheduled banks	6	2.33	2.67	3.22
EB deposit	6	0.40	-	3.66
Trade Receivables	9	88.14	222.63	88.14
Cash & Cash Equivalents	10	9.54	37.46	71.47
Other Bank Balances	11	-	-	55.79
Financial Liabilities				
Borrowings	16	193.98	193.15	18.35
Trade payables	21	40.30	109.90	50.58
Other financial liabilities	22	33.15	40.90	33.17

The carrying value of all the financials assets and financial liabilities are reasonable a approximation of their fair values. Accordingly the fair values of such financial assets and liabilities have not been disclosed separately.

(b) Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

35.1 Financial Risk Management

The company's activities expose it to variety of financial risk viz. credit risk, liquidity risk and market risk. The company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables. The company's senior management focus is to foresee the unpredictability and minimise the potential adverse effects on the company's financial performance. The company's overall risk, management procedures to minimize the potential adverse effect of the financial market on the company's performance are as follows:

35.2 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables, trade deposits, balances with banks and other receivables.

A. Trade Receivables

Trade receivables of the Company are generally unsecured. The Company performs ongoing credit evaluations of its customers' financial conditions and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business through internal evaluation. The allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The Company has no concentration of credit risk as the customer base is geographically distributed in India. Financials asset other than trade receivables and bank balances are not exposed to any material credit risk.

35.3 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments. The company manages its liquidity risk by maintaining sufficient bank balance.

As on March 31, 2021, the company's financial liabilities of ₹ 18.35 lacs (March 31, 2020 ₹ 193.15 lacs and April 1,2019 ₹ 193.98 lacs) are all current and due in the next financial year.

35.4 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

36. Earnings Per Share

(₹ in lakhs)

Particulars	2020-21	2019-20
Profit for the year attributable to owners of the Company	854.26	395.69
Weighted Average Number of Equity Shares outstanding during the year	3,380	3,380
Basic & Diluted Earnings Per Share (in ₹)	**25,274**	**11,707**

37. Segment Information

The company is primarily engaged in manufacturing of Infection Control Products. Considering the nature of business and financial reporting of the company, identification of reportable segments is not possible.

38. Contingent Liabilities

(₹ in lakhs)

Particulars	2020-21	2019-20
Other disputed taxes / duties (Including penalty levied and interest up to the date of demand, if any)	531.66	531.66
Total	531.66	531.66

The company has a disputed demand pending with the Central Excise Deparment relating to the FY 2014-15, FY 15-16, FY 16-17. The dispute is presently lying with the CESTAT, Chennai. No provision has been made in the accounts for the same in the financial statements.

39. Related Party Disclosures under Ind AS - 24

A. Relationship

Nature of relationship	Name of related parties
Key management personnel	Anand Venkatachalam Rajkumar Thangaraj Venkatachalam Ramaswamy

B. Related party transactions

(₹ in lakhs)

Nature of transactions	Key Managerial Personnel			Relative of Key Managerial Personnel		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
Remuneration						
(i)T.Rajkumar	12.00	15.00	21.00	-	-	-
(ii)Venkatachalam Anand	18.00	18.00	24.00	-	-	-
(iii)Venkatachalam Ramaswamy	3.60	4.20	4.62	-	-	-
(iv)Gayathri	-	-	-	6.00	12.00	6.00
(v)Kalpana.R	-	-	-	12.00	15.00	12.00
Total	33.60	37.20	49.62	18.00	27.00	18.00

C. Balance with related parties

Nature of transactions	Key Managerial Personnel			Relative of Key Managerial Personnel		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
Long Term Borrowings						
(i)T.Rajkumar	108.00	10.00	-	-	-	-
(ii)Venkatachalam Anand	10.00	24.50	-	-	-	-
(iii)Venkatachalam Ramaswamy	4.20	77.60	-	-	-	-
(iv)Gayathri	-	-	-	10.00	-	-
(v)Dr. Anuradha Venkatachalam	-			15.75		
(vi)Suseela Venkatachalam	-	-	-	17.50	-	-
Total	122.20	112.10	-	43.25	-	-

40. Income Tax

The Company elected to exercise the non-revisable option permitted under section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for Income-tax for the year ended March 31, 2021 and re-measured its Deferred Tax Liabilities and Assets based on the rate prescribed by the said section.

41. Disclousers as required by Indian Accouting Standard (Ind AS) 101 first time adoption of Indian Accounting Standards.

a. First time adoption of Ind-AS

The financial statements for the year ended 31 March 2021 are the first financials of the Company presented in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2020, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements in compliance with applicable Ind AS for the year ended 31 March 2021 together with the comparative data for the year ended on 31 March 2020. The Company's opening balance sheet was prepared as on 1 April 2019, the Company's date of transition to Ind AS.

The Company has made several adjustments in the course of transition to Ind AS and the note below explains the principal adjustments made in restating the financial statements from previous GAAP to Ind AS, including the balance sheet as at 1 April 2019 and financial statements for the year ended 31 March 2021.

b. Exemptions applied

Ind AS 101 allows first time adopters certain exemption from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

i. The Company has elected to avail exemption under Ind AS 101, to use Previous GAAP carrying value of its property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with Previous GAAP.

c. Mandatory exceptions

Derecognition of financial assets and financial liabilities

Ind AS - 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS - 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS - 101 allows a first time adopter to apply the de-recognition requirements in Ind AS - 109 retrospectively from a date of the Group's choice, provided that the information needed to apply Ind AS - 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS - 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS - 101 requires a Group to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed the same accordingly.

Estimates

The Group estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019, are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for Impairment of financial assets based on expected credit loss method in accordance with Ind AS at the date of transitions as these were not required under previous GAAP.

Carenow Medical Private Limited

Reconciliation of Balance Sheet as at 1 April 2019

	Particulars	Foot Note	Regrouped IGAAP	IND AS Adjustments	As at 1 April 2019
I	**ASSETS**				
	NON-CURRENT ASSETS				
	(a) Property, Plant and Equipment		401.05	-	401.05
	(b) Capital Work-in-Progress		31.23	-	31.23
	(c) Intangible Assets		122.53	-	122.53
	(d) Financial Assets				
	(i) Other Financial Assets		2.81	-	2.81
	(e) Other Non-current Assets		-	-	-
	SUB-TOTAL		**557.61**	**-**	**557.61**
	(a) Inventories		288.69	7.49	296.18
	(b) Financial Assets				
	(ii) Trade Receivables	4	110.37	(22.23)	88.14
	(iii) Cash and Cash Equivalents		9.54	-	9.54
	(iv) Bank balances (other than cash and cash equivalents)		-	-	-
	(c) Current tax assets (net)		15.31	3.83	19.14
	(d) Other Current Assets		72.15	-	72.15
	SUB-TOTAL		**496.06**	**(10.90)**	**485.15**
TOTAL ASSETS			**1,053.67**	**(10.90)**	**1,042.77**
II	**EQUITY**				
	(a) Equity share capital		3.38	-	3.38
	(b) Other equity		552.43	(10.90)	541.52
	SUB-TOTAL		**555.81**	**(10.90)**	**544.90**
III	**LIABILITIES**				
	NON-CURRENT LIABILITIES				
	(a) Financial liabilities				
	(i) Long Term Borrowings		193.98	-	193.98
	(b) Long Term Provisions	1	-	-	-
	(c) Deferred tax liabilities (net)		1.54	-	1.54
	(d) Other Non-current liabilities		-	-	-
	SUB-TOTAL		**195.53**	**-**	**195.53**
	CURRENT LIABILITIES				
	(a) Financial liabilities				
	(i) Short Term Borrowings		221.24	-	221.24
	(ii) Trade payables		40.30	-	40.30
	(iii) Other financial liabilities		33.15	-	33.15
	(b) Short Term Provisions	1	1.83	-	1.83
	(c) Other current liabilities		5.82	-	5.82
	(d) Current tax liabilities (net)		-	-	-
	SUB-TOTAL		**302.34**	**-**	**302.34**
TOTAL EQUITY AND LIABILITIES			**1,053.67**	**(10.90)**	**1,042.77**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Carenow Medical Private Limited

Reconciliation of Balance Sheet as at 31 March 2020

	Particulars	Foot Note	Regrouped IGAAP	IND AS Adjustments	As at 31 March 2020
I	**ASSETS**				
	NON-CURRENT ASSETS				
	(a) Property, Plant and Equipment		462.55	-	462.55
	(b) Capital Work-in-Progress		108.12	-	108.12
	(c) Intangible Assets		101.58	-	101.58
	(d) Financial Assets				
	(i) Other Financial Assets		2.67	-	2.67
	(e) Other Non-current Assets		93.54	-	93.54
	SUB-TOTAL		**768.47**	**-**	**768.47**
	(a) Inventories		445.07	6.38	451.45
	(b) Financial Assets				
	(ii) Trade Receivables	4	248.52	(25.89)	222.63
	(iii) Cash and Cash Equivalents		37.46	-	37.46
	(iv) Bank balances (other than cash and cash equivalents)		-	-	-
	(c) Current tax assets (net)		-	-	-
	(d) Other Current Assets		265.04	3.83	268.88
	SUB-TOTAL		**996.10**	**(15.68)**	**980.42**
TOTAL ASSETS			**1,764.56**	**(15.68)**	**1,748.88**
II	**EQUITY**				
	(a) Equity share capital		3.38	-	3.38
	(b) Other equity		955.30	(18.09)	937.21
	SUB-TOTAL		**958.68**	**(18.09)**	**940.59**
III	**LIABILITIES**				
	NON-CURRENT LIABILITIES				
	(a) Financial liabilities				
	(i) Long Term Borrowings		193.15	-	193.15
	(b) Long Term Provisions	1	-	5.08	5.08
	(c) Deferred tax liabilities (net)		2.30	-	2.30
	(d) Other Non-current liabilities		-	-	-
	SUB-TOTAL		**195.44**	**5.08**	**200.52**
	CURRENT LIABILITIES				
	(a) Financial liabilities				
	(i) Short Term Borrowings		228.91	-	228.91
	(ii) Trade payables		109.90	-	109.90
	(iii) Other financial liabilities		40.90	-	40.90
	(b) Short Term Provisions	1	2.29	0.10	2.39
	(c) Other current liabilities		160.39	-	160.39
	(d) Current tax liabilities (net)		68.05	(2.77)	65.28
	SUB-TOTAL		**610.44**	**(2.67)**	**607.77**
TOTAL EQUITY AND LIABILITIES			**1,764.56**	**(15.68)**	**1,748.88**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

(₹ in lakhs)

Particulars	Foot Note	Regrouped IGAAP	IND AS Adjustments	For the year ended 31 March 2020
Continuing Operations				
I Revenue from operations	2	2,069.47	3.39	2,072.86
II Other Income		14.01	-	14.01
III Total Revenue (I + II)		**2,083.48**	**3.39**	**2,086.87**
IV EXPENSES				
(a) Cost of materials consumed		811.07	-	811.07
(b) Purchases of stock-in-trade			-	-
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade		34.45	1.11	35.56
(d) Employee benefit expenses		219.81	5.18	224.99
(e) Finance costs		56.66	-	56.66
(f) Depreciation and amortisation expense		107.60	-	107.60
(h) Other expenses		292.03	7.05	299.08
Total Expenses		**1,521.61**	**13.35**	**1,534.96**
V Profit/(loss) before exceptional items and tax (III - IV)		**561.86**	**(9.96)**	**551.91**
VI Exceptional Items		-	-	-
VII Profit/(loss) before tax (V - VI)		**561.86**	**(9.96)**	**551.91**
VIII Tax Expense				
(a) Current tax		158.24	(2.77)	155.47
(b) Deferred tax		0.75	-	0.75
Total tax expense		**158.99**	**(2.77)**	**156.22**
IX Profit from continuing operations (VII - VIII)		**402.88**	**(7.19)**	**395.69**
X Other comprehensive income	1, 5			
Items that will not be recycled to profit or loss				
(a) Remeasurements of the defined benefit liabilities/(asset)		-	-	-
(b) Income tax relating to above items		-	-	-
XI Total comprehensive income for the period (IX + X)		**402.88**	**(7.19)**	**395.69**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Footnotes to the reconciliation of equity as at 1 April 2019 and 31 March 2020 and profit or loss for the year ended 31 March 2020

1 **Defined benefit liabilities**

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined-benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is increased by INR 5.18 lakh. There has been no remeasurement gain that was recognised in the OCI for the period.

2 **Sale of goods**

Under previous GAAP, the company recognises revenue from sale of goods, when there is transfer of the significant risks and rewards in ownership of the goods. Under Ind AS, recognition of revenue occurs only when all below conditions are met:

(i) Transfer of significant risks and rewards of ownership
(ii) Neither continuing managerial involvement nor effective control
(iii) Probable future economic benefits will arise
(iv) Revenue can be measured reliably
(v) Costs can be measured reliably

To give effect to the aforesaid, Net sales of INR 18.16 lakhs recognised as revenue in the previous GAAP has not been recognised during the current period, but deferred to the next period owing to the recognition criteria stated above. Also, Net sales of Rs. 21.54 lakhs which was recognised in FY 2018-19 under previous GAAP, is recognised in the current year as revenue.

3 **Reclassification**

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

4 **Expected Credit Loss (ECL)**
Under previous GAAP, the company had not provided for doubtful debts. However Ind AS requires assessment of ECL on debtors and provisioning as per the ECL. Accordingly, additional provision has been created as per ECL computation of INR 0.68 lakhs on date of transition & of INR 7.73 lakhs on 31 March 2020. Therefore, profit for the year ended 31 March 2020 is lower by INR 7.73 lakhs.

5 **Other comprehensive income**
Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

6 **Statement of cash flows**
The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

As per our report of even date
For Arcamma & Co
Firm registration no : 010155S
Chartered Accountants

[Sivakumar V]
Partner
Membership no : 215453

Place : Coimbatore
Date : 31/8/2021
UDIN: 21215453AAAACR4662

For and on behalf of the board of directors

[Venkatachalam Anand]
Managing Director
DIN: 03192263

[Thangaraj Rajkumar]
Director
DIN: 02127445

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes or(iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated September 1, 2021 in each case involving our Company, its Subsidiaries, Promoter and Directors ("**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoter in the last five financial years including any outstanding action. Further, there are no pending litigation involving our Group Company which has a material impact on our Company.*

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to the Board resolution dated September 1, 2021.

All pending litigation and arbitration, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding action, and claims related to direct and indirect taxes, would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the proft after tax of the last audited Consolidated Financial Statements of our Company or a cap of ₹6.40 million, which ever is lower; or (ii) in the event monetary liability is not quantifiable, such pending proceeding shall be considered material if the outcome of any such pending proceedings have a material bearing on the business, operations, performance, prospects or reputation of our Company.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum. We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Except as stated in this section, there are no material outstanding dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated September 1 ,2021, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having a monetary value which exceeds 5 % of the consolidated trade payables of our Company as of March 31, 2021, shall be considered as 'material'. Accordingly, as on March 31, 2021, any outstanding dues exceeding ₹ 33.94 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

I. Litigation involving our Company

Litigation against our Company

<u>Material civil litigation</u>

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings against our Company.

<u>Actions taken by regulatory and statutory authorities</u>

1. The National Pharmaceutical Pricing Authority (**"NPPA"**) issued a show cause notice dated April 5, 2018 ("**Show Cause Notice**") to our Company for purported violation of Paragraph 20 of the Drugs (Price Control) Order, 2013 (**"DPCO 2013"**), alleging that our Company had increased the maximum retail price of certain catheters sold by it, by a greater amount than was permitted under the DPCO 2013. In response to the Show Cause Notice, our Company made certain submissions before the NPPA. However, the NPPA found such submissions to be untenable, and *vide* a demand notice dated February 05, 2019 directed our Company to deposit a sum of ₹ 128.41 million as alleged overcharged amount for its products along with interest at the rate of 15% ("**Demand Notice**"). Our Company was thereafter granted a personal hearing before the NPPA, wherein it informed NPPA that the products in question were never sold directly to consumers but were primarily sold to nursing homes and hospitals at much lower price than the price displayed on its packaging. These submissions were rejected by NPPA vide its order dated September 4, 2019, and the NPPA directed our Company to submit a revised amount of ₹ 169.60 million, by computing additional interest up till September 30, 2019 (the "**Order**"). The abovementioned Order and the Demand Notice was challenged before Delhi High Court by way of writ petition no. 11385 of 2019. The Delhi High Court vide order dated October, 31, 2019 ("**High Court Order**") set aside the Demand Notice and remanded the matter back to NPPA to pass a fresh order taking into consideration the averments made by the petitioner regarding the

actual prices charged for the devices. As a condition for the same, the Delhi High Court directed our Company to deposit 50% of the amount allegedly overcharged, i.e. ₹ 64.20 million, with NPPA, and our Company complied with the same on November 20, 2019. In furtherance to the High Court Order, Company made representations before NPPA on February 11, 2020. However, NPPA rejected the submissions made by the Company vide its order dated February 26, 2020 ("**Impugned Order**") and revised its demand by computing interest up till February 29, 2020 and directed our Company to deposit a sum of ₹ 113.41 million within 30 days of the issuance of the order. Our Company has paid ₹.64.20million i.e. the remainder of the principal amount of ₹ 128.41 million demanded by NPPA under protest vide its letter dated April 20, 2020. Our Company has approached the Delhi High Court against the order passed by the NPPA and filed a writ petition dated September 2, 2020 seeking *inter alia* (i) that the Impugned Order be set aside, and that the demand amount of ₹ 128.41 million be returned to our Company, and (ii) that it be declared the NPPA cannot levy any interest on our Company. The matter is currently pending.

2. A notice bearing Ref. No. DLC-1/PTN/CR-122/2020-21 dated December 1, 2020 ("**Notice**") was issued by the Deputy Labour Commissioner to our Company, instructing us to submit our objections and attend a joint conciliation meeting. The Notice was in reference to an application submitted by Shakuntala G.H and 80 other workers dated December 1, 2020 to address to the various demands of the workers regarding, *inter alia*, wages and allowances, medical facilities, canteen facilities, transport facilities and loan facilities. Following this, conciliation meetings were held between parties on January 4, 2021 and January 12, 2021, which were unsuccessful. Since the conciliation meetings were not successful and pursuant to factual report bearing ref. no. DLC-1/ID/CR-26/2020-21, the matter was referred for adjudication and the failure report was filed under section 12(4) of the Industrial Disputes Act, 1947. Our Company received an order dated March 22, 2021 bearing ref. no. LD-IDM/149/2021/LD.DO.6.LS from the Labour Department, Government of Karnataka stating that the matter is referred to Industrial Tribunal, Bangalore for adjudication within six months. Our Company received notice from the Industrial Tribunal bearing ref. no. IT.To. No.550/2021 and the case was registered as I.D No. 41/2021. The matter is currently pending.

3. A notice bearing Ref. No. ALCBLR-1/IDA/SR-82/2020 dated December 9, 2020 ("**Notice**") was issued by the Assistant Labour Commissioner to our Company, instructing us to attend a joint conciliation meeting. The Notice was in reference to an application submitted by Umesh B.B, Mamatha and Rathna B.R alleging that the management of our Company dismissed them without giving any reason. Our Company vide letter dated December 23, 2020 replied to the Notice stating that the three workmen who complained about the alleged discontinuance of their services are not workmen of our Company but were engaged by a contractor and requested the authority to not make our Company a party to the matter. Further, M/s Sai Contractors in their statement dated December 17, 2020 stated that the workmen were working on deployment from their company itself. The claims made by the contractor and the Company were refuted by the workmen. Following this, several conciliation meetings were held between parties, which were unsuccessful. Since the conciliation meetings were not successful the matter was referred for adjudication and the failure report was filed under section 12(4) of the Industrial Disputes Act, 1947. Our Company received an order dated March 22, 2021 bearing ref. no. LD-IDM/150/2021/LD.DO.6.LS from the Labour Department, Government of Karnataka stating that the matter is referred to Industrial Tribunal, Bangalore for adjudication within six months. Our Company received notice from the Principal Labour Court ("**Court**"), Bangalore bearing ref. no. 12/2021 to appear in person or through an advocate. The matter is currently pending.

4. A petition was filed by G.R Shivashankar before the Assistant Labour Commissioner ("**ALC**") claiming to be the President of the Trade Union Coordination Centre ("**TUCC**") for cancellation of contract labour licenses to the labour contractors of our Company. The ALC issued a letter to Labour Officer, Sub-Division-1, Bengaluru to conduct an inspection with regard to allegations made by G.R Shivashankar. A show cause notice was issued to our Company by the ALC asking our Company to show cause as to why the registration certificate issued to our Company and contract license issued to the labour contractors under the Contract Labour (R&A) Act, 1970 should not be cancelled. Subsequently, our Company received a representation dated October 12, 2020 from TUCC stating that G.R Shivashankar cannot use TUCC name pursuant to injunction order passed by the LXI Additional City Civil and Session Judge, Bengaluru in O.S No. 1491/2016 ("**Injunction Order**"). In light of the Injunction Order, our Company gave a detailed reply to the show cause notice issued by the ALC requesting to discontinue the proceedings, as they are in utter violation of the Injunction Order. The ALC suspended the proceedings since the petition filed by G.R Shivashankar was in violation of the Injunction Order. Subsequently, our company filed a suit bearing O.S No. 5323/2020 before the XXV Additional City Civil and Session Judge, Bengaluru restraining Mr. G.R Shivashankar from representing the workmen of our Company as the president of TUCC and an injunction was granted by the court. However, a memo was filed by the labour inspector recommending the proceeding based on the inspection report. The ALC vide its order dated March 29, 2021 ("**Order**") continued the proceedings in ALCB-01/CLA/P-48/2008-09. Our Company has filed a writ petition dated April 21, 2021 before the High Court of Karnataka against the Order. The matter is currently pending.

5. A notice bearing ref. no. KAB-1/PTN/CR-79/2020-21 dated March 31, 2021 was issued by Labour Officer, Sub Div – 01 in reference to an application filed by 3 workmen regarding bonus discrimination. The matter is currently pending

Criminal litigation

1. The Assistant Director of Factories, Division -9, Bangalore ("Assistant Director") inspected one of our factories in Bangalore on January 11, 2021. Subsequently, a show cause notice dated March 15, 2021 was issued by the Assistant Director. Our Company replied to the show cause notice vide letter dated March 26, 2021, refuting any of the alleged non compliance by our Company regarding certain provisions of Factories Act, 1948. Subsequently, the Assistant Director did not accept the response and a case was filed by the Assistant Director under the Factories Act, 1948, along with the rules thereunder. The matter is currently pending.

Litigation by our Company

Criminal Litigation

1. Our Company has filed complaint against Arul Pragasam K. ("**Accused**") to Station Head Officer, Cyber Crime Bengaluru North – Division, Yashwanthpur, Bangalore. The Accused is an ex-employee of our Company and was relieved of his services on September 8, 2020. On September 30, 2020 during internal audit of our Company it was suspected that Accused during his notice period unauthorizedly downloaded and transferred around 400 data files which were confidential in nature. It is alleged that the Accused has violated Section 379,406 and 420 of Indian Penal Code, 1860 (**"IPC")** and under Section 43(B), 43(i), 66, 72 of the Information Technology Act, 2002. The I Additional Chief Metropolitan Magistrate, Bangalore in PCR No. 2980/2021 vide its order dated February 12, 2021 referred the matter to jurisdictional police for investigation. The matter is currently pending

2. Our Company has filed 34 cases before various judicial forums for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Company for which cheques issued in favour of our Company by our debtors have been dishonoured. The total monetary value involved in all these matters is ₹ 7.85 million.

Material civil litigation

1. Our Company filed a case against M/s Blue Print Events & Exhibitions Private Limited. (**"Defendant"**) in the court of City Civil Judge, Bengaluru. Our Company entered into an agreement dated October 22, 2019 (the "**Agreement**") with the Defendant for the purpose of setting up a stall at the MEDICA 2019 exhibition in Germany. The Defendant agreed furnish the exhibition in accordance with the specifications provided in the Agreement. Our Company has claimed that the Defendant has breached the terms of the Agreement, as the stall provided to the Company was not in terms of the final design shared by the Defendant. Our Company issued a legal notice dated February 25, 2020 demanding the refund of entire amount paid along with Euro 119,000 as damages. Subsequently, our Company filed the suit before the Court of City Civil Judge, Bengaluru and prayed to direct the Defendant to pay (i) a sum of Euros 23, 778 with 18% GST along with interest at the rate of 24% from the date of payment till the date of refund and (ii) pay a sum of Euros 119,000 towards damages, expenditure and losses incurred by our Company. Further, our Company has also filed an application before the Commercial Court, City Civil Court, Bengaluru for pre institution mediation under Rule 3(1) of the Commercial Courts (Pre-Institution Mediation and Settlement) Rules, 2018. The matter is currently pending.

2. Our Company filed a demand notice dated July 31, 2019 against M/s Peekay Mediequip Limited ("**Peekay**") under the Insolvency and Bankruptcy Code, 2016 ("**IBC**") , under rule 5 of insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 in respect to unpaid financial debt due from Peekay amounting to ₹ 64.16 million. The Company joined the other financial creditors and filed an application for liquidation of Peekay under IBC. Subsequently, committee of creditors was formed and the resolution plan was approved by the committee of creditors in the meeting dated September 7, 2020. The matter is currently pending.

   For further details, see "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus- (v)"* on page 176.

Arbitration Proceedings

3. Our Company instituted an arbitration proceeding against Boijayanta Barua ("**Respondent"**). The Respondent was employed with our Company as the Head of Endoscopy , and thereafter, as our Senior Vice President – Head of Minimally Invasive Solutions and accordingly had access to extremely sensitive and

confidential information of our Company. Our Company has alleged that during the course of his employment, the Respondent breached various clauses of confidentiality agreement dated July 11, 2018 and the employment agreement dated July 21, 2018, as, while he was employee of our Company, the Respondent colluded with Panther Healthcare Medical Equipment Co. Limited ("**Panther Healthcare**"), in coercing other employees to leave our Company and join Panther Healthcare, protecting Panther Healthcare's monetary interests by, *inter alia*, accepting a smaller number of replacement products than required by our Company, and using the confidential information of our Company to assist Panther Healthcare. In view of the same, our Company invoked the arbitration clause under the Agreement for the appointment of a sole arbitrator. Further, aggrieved by the conduct of the Respondent, our Company sought interim reliefs before the City Civil Court, Bengaluru under Section 9 of the Arbitration and Conciliation Act, 1996, and the court, *vide* an order dated February 11, 2020, *inter alia*, restrained the Respondent from joining Panther Healthcare, soliciting employees of our Company and disclosing confidential information of our Company. Thereafter, our Company filed an application to High Court of Karnataka, Bengaluru for appointment of sole arbitrator in terms of Section 11 of Arbitration and Conciliation Act, 1996, which is currently pending.

II. Litigation involving our Promoter

As on the date of this Draft Red Herring Prospectus, there are no litigation proceedings involving our Promoter.

III. Litigation involving our Directors

Litigations against our Directors

Criminal Litigation

1. A suit was filed by Sangaram Singh Madhavrao Ghatge against Shriram City Union Finance Limited ("**SCUF**") and its board of directors (including Shashank Singh) in 2019 wherein he contested a loan amount disbursed and interest rate charged, among other things, as he alleged that it was not in line with what he was promised by an agent and SCUF. This matter was referred to arbitration in 2013, which awarded an order in favour of SCUF. Subsequently, Sangram Singh Madhavrao Ghatge filed a criminal FIR in 2019. SCUF subsequently filed a writ petition bearing No. 2718/2019 in the High Court of Bombay for quashing of the FIR. The matter is currently pending.

2. A criminal complaint was filed by Neeta Manish Mehta before the Judicial Magistrate of Nagpur against Shriram City Union Finance Limited ("**SCUF**") and its board of directors (including Shashank Singh). The matter stems from Neeta Manish Mehta contesting that she has been deceived and publicly labelled as a wilful defaulter. Further, an ad-interim order was passed by the court to stay the criminal proceeding. Subsequently, SCUF has filed a writ petition in the High Court of Nagpur to quash the original complaint. The matter is currently pending.

3. A criminal case bearing criminal case no. 35/2020 (the "**Case**") was filed by the Government Labour Officer ("**GLO**") against Abbott Healthcare Private Limited ("**AHPL**") and Sudarshan Jain, who was on AHPL's board of directors at the time. The matter stems from an employee who contested his transfer and filed a complaint before the industrial dispute forum. Subsequently, in 2016, the Bhartiya Kamdar Karmachari Mahasangh, Anand, a trade union, filed a complaint with the GLO alleging unfair labour practice by AHPL. In January 2020, the GLO filed the Case against AHPL and Sudarshan Jain, alleging violation of Industrial Disputes Act, 1947. In the interim period, the employee has entered into a settlement with the company and has resumed working with the company. The matter is currently pending.

4. A criminal complaint has been filed against one our Director, Mohammed Azeez for alleged violation of the Factories Act, 1948. For further details in relation to this case, see "*I. Litigation involving our Company – Litigation against our Company – Criminal Proceedings – (1)*" above.

Litigations by our Directors

As on the date of this Draft Red Herring Prospectus, there are no litigation proceedings by our Directors

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

<u>*Actions taken by regulatory and statutory authorities*</u>

1. One of our subsidiary, Carenow Medical Pvt. Ltd. ('**Carenow**") recived a show cause notice from Senior Drugs Inspector, Mylapore Range Incharge bearing refernce no. 1087/SDI/MYL/i/c/ZIII/ 20 dated June 4, 2020 regrding the product theruptor handrub, cholorhexdine alcohol skin antiseptic, batch no. HR100 and manufactured on April 2020 ("**Product**"), not being of standard quality leading to contravention under Section 18 (a)(i) and Section 17-A (e) of the Drugs and Cosmetic Act, 1840. Carenow provided a detailed reply to the show cause notice stating that the Carenow has done a voluntary recall of the Product and the

other necessaty steps were taken even before the show cause notice was issued. The matter is currently pending.

Litigation by our Subsidiaries

Material Civi Litgation

1. One of our subsidiary Carenow Medical Pvt. Ltd.("**Plaintiff**") has filed a civil suit against Hemant Pandurang Deshmukh, proprietor of Ish International ("**Defendant**"). The Defendant was authorised to act as a non-exclusive distributor for the products of the Plaintiff. During transactions between Plaintiff and Defendant between the period from October 31, 2012 to May 15, 2018, as per the running accounts maintained by the Plaintiff a sum of ₹ 8.30 million remained due and outstanding toward principal amount together with interest thereon. Plaintiff filed a suit against the Defendant before the District Judge of Coimbatore in the O.S No. 477 of 2018 and prayed to direct the Defendant to pay (i) the sum of ₹ 9.93 million to the plaintiff, together with the future interest on the principal amount and (ii) costs of the suit. The matter is currently pending.

Criminal Litigation

1. Our subsidiary Carenow Medical Pvt. Ltd. ("**Carenow**") has filed a complaint before the Fast Track Judicial Magistrate No. II, Coimbatore against Bhanuprakash Chopparapu for alleged violation of section 138 of Negotiable Instruments Act, 1881 upon dishonour of cheque for an amount of ₹0.34 million owed to Carenow. The matter is currently pending.

Tax claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Directors, Subsidiaries and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)*
Proceedings involving the Company		
Direct Tax	4	42.56
Indirect Tax	4	27.19
Proceedings involving the Subsidiary		
Direct Tax	-	NA
Indirect Tax	2	53.89
Proceedings involving the Directors		
Direct Tax	-	NA
Indirect Tax	-	NA
Proceedings involving the Promoters		
Direct Tax	-	NA
Indirect Tax	-	NA

* *To the extent quantifiable and ascertainable.*

Outstanding dues to Creditors

As of March 31, 2021, our Company has 558 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹ 678.79 million. Further, our Company owes an amount of ₹ 15.24 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2021.

As per the policy of materiality for identification of material outstanding dues to creditors considered and adopted by our Board pursuant to the Board resolution dated September 1, 2021, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer documents if the amounts due to such creditor exceed 5% of the consolidated trade payables of the Company as of March 31, 2021, which is ₹ 678.79 million i.e., creditors of the Company to whom the Company owes an amount exceeding ₹ 33.94 million have been considered material. As of March 31, 2021, there are no material creditors to whom our Company owes an aggregate amount of ₹ 33.94 million.

Details of outstanding dues owed to material creditors, MSMEs and other creditors as of March 31, 2021 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	37	15.24
Material Creditors	-	-
Other Creditors*	521	663.55
Total	**558**	**678.79**

**Including provisions*

The details pertaining to outstanding dues towards our material creditors are available on the website of our Company at https://www.healthiummedtech.com/investorrelations/. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including Company's website www.healthiummedtech.com would be doing so at their own risk.

Material developments

Other than as stated in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 291, there have not arisen, since the date of the last financial statement disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material and necessary consents, licenses, permissions, registrations and approvals obtained by our Company and Material Subsidiaries from various governmental agencies and other statutory and/ or regulatory authorities for carrying out our present business activities. In addition, certain of our material approvals may have lapsed or expired or may lapse in their normal course and our Company has either already made applications to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications in accordance with the applicable requirements and procedures. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors - We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, our business, financial condition, results of operations, and cash flows may be adversely affected" on page 26. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 167.

Approvals in relation to our Company

The approvals required to be obtained by our Company include the following:

I. Approvals in relation to the incorporation of our Company

1. Certificate of incorporation dated December 28, 1992 issued by the RoC to our Company, in its former name, being Sutures India Private Limited.
2. Fresh certificate of incorporation dated May 25, 2017 issued by the RoC to our Company upon change of name from Sutures India Private Limited to Healthium Medtech Private Limited.
3. Fresh certificate of incorporation dated August 4, 2021 issued by the RoC to our Company upon change of name from Healthium Medtech Private Limited to Healthium Medtech Limited, pursuant to conversion of our Company from a private to a public limited company.
4. For incorporation details of our Material Subsidiaries, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 178.

II. Approvals in relation to the Offer

For details, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" and "*The Offer*" on pages 462 and 57, respectively.

III. Key approvals in relation to our Company

Tax Related Approvals

(a) The permanent account number of our Company is AACCS6580N.

(b) The goods and services tax registration number of our Company, as per the states where our business operation exist, are as follows:

State	Goods and Service Tax Registration Number
Karnataka	29AACCS6580N1ZM
Assam	18AACCS6580N1ZP
Kerala	32AACCS6580N1ZZ
Maharashtra	27AACCS6580N1ZQ
Tamil Nadu	33AACCS6580N1ZX
Uttar Pradesh	09AACCS6580N1ZO
Punjab	03AACCS6580N1Z0
West Bengal	19AACCS6580N1ZN
Andhra Pradesh	37AACCS6580N1ZP

(c) The tax deduction and collection account number of our Company is BLRS49070A.

(d) The professional tax registration numbers allotted under applicable state specific laws are as follows:

State	Professional Tax Registration Number
Maharashtra*	27660665684P
Karnataka (Bengaluru)	326140817
Karnataka (Tumakuru)	325360577
Andhra Pradesh	37483935280

**A certificate of registration under Maharashtra State Tax on Professions, Trades, Calling and Employment Act, 1975 is issued in the previous name of the Company, i.e 'Sutures India Private Limited'. Our Company has filed an application to obtain a fresh certificate of registration in the current name of the Company.*

Key approvals obtained for business operations

(a) In order to operate our manufacturing facilities in India, our Company requires various approvals and/ or licenses under various applicable state and central laws, rules and regulations. These approvals and/ or licenses, *inter alia*, include licenses from the factory departments of the concerned states under the Factories Act, 1948 and the respective state factory rules; occupancy and stability certificates issued by civil engineers; consents/ authorizations of state pollution control boards under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act,1974 and Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our manufacturing facilites. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications*.

**Our Company has recently acquired a manufacturing facility in Mumbai, pursuant to business transfer agreement dated May 26, 2021, executed amongst our Company, Sri Gopal Krishna Labs Private Limited, Viral Kisandas Parekh, Kisandas Kesurdas Parekh, Chaula Viral Parekh and Hansa Kisandas Parekh. For further details of the business transfer agreement, see "History and Certain Corporate Matters- Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus" on page 174. The licenses/approvals pertaining to this manufacturing facility are currently in the name of the previous operator, i.e. Sri Gopal Krishna Labs Private Limited. Our Company intends to make applications to the appropriate authorities, for transfer of these licenses/approvals in the name of our Company.*

(b) Our Company has obtained various licenses and/ or approvals from the Central Drugs Standard Control Organisation ("**CDSCO**") under the Medical Device Rules, 2017. These licenses and/or approvals pertain to, *inter alia*, manufacture for sale or for distribution, different classes of medical devices; licenses to import medical devices; and loan license to manufacture, for sale or for distribution, different classes of medical devices. Some of the medical devices to which these licenses and/or approvals pertain include, *inter alia,* absorbable and non-absorbable surgical sutures; sterile skin staplers; suturing kits; and sterile bone wax. All the licenses and/ approvals obtained by our Company from CDSCO are currently valid and most of them have perpetual validity.

(c) Our Company has received letters of approval to market various devices in the United States market, from Center for Devices and Radiological Health, a branch of the United Stated Food and Drugs Administration ("**US FDA**"), pursuant to 'premarket notifications of intent to market the devices' submitted by our Company under Section 510(k) of the Federal Food, Drug and Cosmetic Act. The devices of our Company for which the marketing approval has been obtained from US FDA, *inter alia*, include TRULENE Non-absorbable Polypropylene Surgical Suture; TRULENE MESH Non-absorbable Polypropylene Surgical Mesh; TRUGLYDE Absorbable Polyglycolic Acid Surgical Suture; TRUSILK Non-absorbable Silk Surgical Suture; and PD SYNTH Absorbable Synthetic (Monofilament Polydioxanone) Surgical Suture. All the letters of approval have perpetual validity. Further, our Company has updated its registration and listing information with US FDA for the calendar year 2021, which will be valid till December 31, 2021.

(d) Our Company has also obtained certifications from 3EC International, attesting to the compliance of some of our products manufactured in our various facilities, with the requirements promulgated under the directions issued by the Council of the European Union. Some of the medical devices for which these certifications have been received include, *inter alia*, absorbable sutures, non-absorbable sutures, bone wax and skin stapler.

(e) The Directorate General of Foreign Trade, Ministry of Commerce and Industry has issued an importer-exporter code to our Company, being 0792012593, in accordance with the provisions of Foreign Trade (Development and Regulation) Act, 1992.

IV. Registrations under employment laws

Our Company has obtained the relevant registrations as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970. Further, our Company has also obtained registrations and has been allotted codes under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948.

V. Intellectual Property

Our Company has obtained over 50 trademark registrations in India in the category of wordmarks and device marks and all these registrations are currently valid. These include one registered trademark acquired from Sri Gopal Krishna Labs Private Limited, pursuant to (i) business transfer agreement dated May 26, 2021, executed amongst our Company, Sri Gopal Krishna Labs Private Limited, Viral Kisandas Parekh, Kisandas Kesurdas Parekh, Chaula Viral Parekh and Hansa Kisandas Parekh, and (ii) intellectual property assignment agreement dated July 9, 2021 executed between our

Company and Sri Gopal Krishna Labs Private Limited. For further details of the business transfer agreement and intellectual property assignment agreement, see "*History and Certain Corporate Matters- Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus"* and "*History and Certain Corporate Matters-Key terms of other subsisting material agreements*", on pages 174 and 177, respectively

Further, our Company has filed 60 patent applications in India and U.S.A, since 2017 and, as on the date of this draft red herring prospectus, it has been granted 32 patents.

Material Approvals in relation to our Material Subsidiaries

Our Company has 3 Material Subsidiaries. For details, see "*History and Certain Corporate Matters - Our Subsidiaries*" on page 178. Each of our Material Subsidiaries have obtained the requisite approvals and registrations required to conduct their business activities from the government authorities in the respective jurisdictions in which they operate.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated September 1 and our Shareholders have authorised the Fresh Issue pursuant to a resolution dated September 2, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. This DRHP has been approved by our Board pursuant to a resolution passed on September 5, 2021.

The Selling Shareholders have confirmed and approved their participation in the Offer for Sale in relation to their respective portions of Offered Shares. For details, see "*The Offer*" on page 57.

Our Company has received in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoter, Promoter Group, Directors, the persons in control of our Company and the persons in control of our Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoter or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as fugitive economic offenders.

The Selling Shareholders confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter Selling Shareholder, our Promoter and members of Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

Except for our Director Namrata Kaul who is associated with Prime Securities Limited, which is a category I merchant banker registered with SEBI and Prime Research & Advisory Limited, which is an investment advisor registered with SEBI, none of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner: Our Company has had net tangible assets of at least ₹30.00 million, calculated on a restated and consolidated basis, 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 an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year other than conversion from a private limited company to a public limited company.

Our Company's average operating profit, net worth and net tangible assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

As derived from the Restated Financial Information

(*₹ in million*)

Particulars	As of and for the Financial Year ended		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Net tangible assets[(1)]	3,524.40	2,908.08	3,499.30
Net worth[(2)]	9,814.72	9,189.57	9,616.41
Average pre-tax operating profit/(loss)[(3)]			810.81

Notes:

(1) "Net tangible assets" means the sum of all the assets of our Group excluding Goodwill, intangible assets, intangible assets under development, right of use assets and deferred tax assets (net) reduced by total liabilities excluding lease liability of the Group.

(2) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(3) "Average operating profit" means average of three financial years restated profit before tax excluding other income, finance income, exceptional items and finance costs

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Promoter, the Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoter or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoter, or Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors or Promoter has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except employee stock options granted pursuant to ESIP – Performance Based and ESIP – Time Based, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company along with the Registrar to our Company, has entered into tripartite agreements dated February 09, 2012 and June 25, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(vii) The Equity Shares held by the Promoter are in the dematerialised form;

(viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

(ix) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS BEING, ICICI SECURITIES LIMITED, CLSA INDIA PRIVATE LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs BEING, ICICI SECURITIES LIMITED, CLSA INDIA PRIVATE LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND NOMURA

FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 5, 2021 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of itself and of their Offered Shares, under Section 34 or Section 36 of Companies Act

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. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors and BRLMs

Our Company, 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 and anyone placing reliance on any other source of information, including our Company's website www.healthiummedtech.com, or the respective websites of our Promoter, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

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, and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoter, their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter, and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from our Selling Shareholders

The Selling Shareholders, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholders in relation to itself as a Selling Shareholders and its proportion of the Offered Shares and anyone placing reliance on any other source of information, including our Company's website www.healthiummedtech.com, or the respective websites of our Promoter, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The Selling Shareholders shall not be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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. The Selling Shareholders and their 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, the Selling Shareholders and their group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Selling Shareholders and their group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, VCFs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) public financial institutions, scheduled commercial banks permitted pension funds, and national investment fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or purchase or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Karnataka, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus will be registered with the RoC. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the 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 the Offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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 in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, lenders to our Company, Protech Consultants, Chartered Engineer, industry data provider, legal counsels appointed for the Offer, the BRLMs, the Registrar to the Offer, in their respective capacities, have been obtained, and (b) the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank and Banker(s) to the Company, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Expert to the Offer

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

Our Company has received written consent dated September 5, 2021 from our Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name, as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft red Herring Prospectus, as an “expert” as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 1, 2021 on our Restated Financial Information; and (ii) their report dated September 3, 2021 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Additionally, our Company has also received a letter dated September 1, 2021 from Protech Consultants, Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

Particulars regarding capital issues by our Company and/or listed Group Companies, Subsidiaries or Associates during the last three years

Other than as disclosed in “*Capital Structure*” on page 69, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Additionally, our Company does not have any other listed Group Companies, Subsidiaries or Associates.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s incorporation.

Public/ rights issue of our Company during the last five years

Our Company has not made any public issue during the five years immediately preceding the date of this Draft Red Herring Prospectus. Further, except as stated below, our Company has not made any rights issues during the five years preceding the date of this Draft Red Herring Prospectus:

Year of Issue	Closing Date	Date of Allotment	Date of Refunds	Date of listing on the stock	Premium/discount amount (in ₹)
2021	August 31, 2021	August 26, 2021	N.A	N.A	249.00

For further details, see “*Capital Structure – Notes to Capital Structure – Equity Share Capital History of our Company*” on page 69.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not made any public issue (as defined under SEBI ICDR Regulations) in the five years immediately preceding the date of this Draft Red Herring Prospectus. For details of rights issue made by our Company in the past five years, preceding the date of filing of this Draft Red Herring Prospectus, see “*Capital Structure*” beginning on page 69. Further, our Company has not experienced any shortfall or delays in the achievement of objects.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

None of our Subsidiaries or Promoter are listed on any stock exchange.

Price information of past issues handled by the BRLMs

A. ICICI Securities Limited

Price information of past issues handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Suryoday Small Finance Bank Limited	5,808.39	305.00(1)	26-Mar-21	292.00	-18.38%,[-1.14%]	-26.87%,[+8.13%]	NA*
2	Nazara Technologies Limited	5,826.91	1,101.00(2)	30-Mar-21	1,990.00	+62.57%,[+0.13%]	+37.59%,[+6.84%]	NA*
3	Macrotech Developers Limited	25,000.00	486.00	19-Apr-21	436.00	+30.22%,[+5.21%]	+75.43%,[+10.89%]	NA*
4	Shyam Metalics and Energy Limited	9,087.97	306.00(3)	24-Jun-21	380.00	+40.95%,[+0.42%]	NA*	NA*
5	Dodla Dairy Limited	5,201.77	428.00	28-Jun-21	550.00	+44.94%,[-0.43%]	NA*	NA*
6	G R Infraprojects Limited	9,623.34	837.00(4)	19-Jul-21	1,715.85	+90.82%,[+5.47%]	NA*	NA*
7	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	29-July-21	2,111.85	+92.54%,[+5.87%]	NA*	NA*
8	Nuvoco Vistas Corporation Limited	50,000.00	570.00	23-Aug-21	485.00	NA*	NA*	NA*
9	Chemplast Sanmar Limited	38,500.00	541.00	24-Aug-21	550.00	NA*	NA*	NA*
10	Aptus Value Housing Finance India Limited	27,800.52	353.00	24-Aug-21	333.00	NA*	NA*	NA*

**Data not available*

(1) *Discount of Rs. 30 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 305.00 per equity share.*
(2) *Discount of Rs. 110 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,101.00 per equity share.*
(3) *Discount of Rs. 15 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 306.00 per equity share.*
(4) *Discount of Rs. 42 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 837.00 per equity share.*

Summary statement of price information of past issues handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	8	1,70,213.60	-	-	-	2	3	-	-	-	-	-	-	-
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	-	2	4	3	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* This data covers issues upto YTD

Notes:
1. All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.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 previous trading day

B. CLSA India Private Limited

Price information of past issues handled by CLSA India Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Offer Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Devyani International Limited	18,380.00	90.00	16-Aug-21	140.90	-	-	-
2.	Burger King India Limited	8,100.00	60.00	14-Dec-20	112.50	+146.50%, [+7.41%]	+135.08%, [+10.86%]	+168.25%, [+16.53%]

Source: www.nseindia.com

Notes:

1. *The CNX NIFTY is considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculations.*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
4. *Since 30, 90 and 180 calendar days, from listing date has not elapsed for the issue in the Financial Year 2021-2022, data for same is not available.*

Summary statement of price information of past issues handled by CLSA India Private Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22*	1	18,380.00	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	1	8,100.00	-	-	-	1	-	-	-	-	-	1	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. *For 2021-22, the information is as on the date of this Offer Document;*
2. *The Total number of IPOs and the Total amount of funds raised have been included for each financial year based on the IPO listed during such financial year;*
3. *Since 30 and 180 calendar days, from listing date has not elapsed for the issue in the Financial Year 2021-2022, data for same is not available*

C. Credit Suisse Securities (India) Private Limited

Price information of past issues handled by Credit Suisse Securities (India) Private Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
a)	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	3.75%, [-4.01%]	21.39%, [-1.18%]	45.93%, [-3.30%]
b)	Sterling and Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.88%, [-1.60%]	-48.63%, [7.97%]	-64.78%, [9.95%]
c)	Home First Finance Company India Limited	11,537.19	518.00	February 03, 2021	618.80	4.98%, [1.97%]	-5.64%, [-1.05%]	15.86%, [6.58%]
d)	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45%, [0.42%]	NA*	NA*
e)	Krishna Institute of Medical Sciences Limited	21,437.44	825.00	June 28, 2021	1,009.00	48.10%, [-0.43%]	NA*	NA*
f)	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	20.09% [3.75%]	NA*	NA*
g)	Chemplast Sanmar Limited	38,500.00	541.00	August 24, 2021	550.00	NA*	NA*	NA*

Source: Source: www.nseindia.com for the price information and prospectus for issue details.

**Data not available*
Note:
1. *30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading date.*
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. *NIFTY is considered as the benchmark index*

Summary statement of price information of past issues handled by Credit Suisse Securities (India) Private Limited

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	4	209,187.44	-	-	-	-	2	1	-	-	-	-	-	-
2020-21	1	11,537.19	-	-	-	-	-	1	-	-	-	-	-	1
2019-20	2	40,852.32	-	-	1	-	-	1	1	-	-	-	1	-

D. Nomura Financial Advisory and Securities (India) Private Limited

Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

Sr. No.	Issue name	Issue size (₹ millions)	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	Car Trade Tech	29,985.10	1,618	August 20, 2021	1,599.80	Not Applicable	Not applicable	Not Applicable
2	Sona BLW Precision Forgings	55,500	291	June 24, 2021	301.00	+45.45% [+0.47%]	Not applicable	Not applicable
3	Nazara Technologies	5,826.91	1,101[1]	March 30, 2021	1,990.00	+62.57% [+0.13%]	+38.22% [+6.84%]	Not applicable
4	Gland Pharma	64,795.45	1,500	November 20, 2020	1,710.00	+48.43% [+7.01%]	+57.27% [+18.27%]	+104.17% [17.49%]
5	Computer Age Management Services Limited	22,421.05	1,230[2]	October 1, 2020	1,518.00	+5.43%[+2.37%]	+49.52%[+23.04%]	+43.80%[+26.65%]
6	Happiest Minds Technologies	7,020.16	166	September 17, 2020	350.00	+96.05% [+2.14%]	+93.25% [+17.82%]	+221.27% [+29.64%]
7	SBI Cards & Payment Services Limited	103,407.88	755[3]	March 16, 2020	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50% [+24.65%]
8	Affle (India) Limited	4,590.00	745	August 8, 2019	926.00	+12.56%, [-0.78%]	+86.32%, [+8.02%]	+135.49%,[+6.12%]

Source: www.nseindia.com
1. *Discount of INR 110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
2. *Discount of INR 122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
3. *Price for eligible employees bidding in the Employee Reservation Portion was INR680.00 per equity share*

Notes:
a. *Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index*
b. *Price on NSE is considered for all of the above calculations except for Computer Age Management Services Limited.*
c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
d. *Not applicable – Period not completed*

Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

Financial Year	**Total no. of IPOs**	**Total funds raised (₹ in millions)**	**Nos. of IPOs trading at discount on as on 30th calendar days from listing date**			**Nos. of IPOs trading at premium on as on 30th calendar days from listing date**			**Nos. of IPOs trading at discount as on 180th calendar days from listing date**			**Nos. of IPOs trading at premium as on 180th calendar days from listing date**		
			Over 50%	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2021-2022	2	85.485.1	-	-	-	-	1	-	-	-	-	-	-	-
2020-2021	4	100,063.57	-	-	-	2	1	1	-	-	-	2	1	-
2019-2020	2	107,997.88	-	1	-	-	-	1	-	-	-	1	-	1

Source: *www.nseindia.com*
Notes:
a) The information is as on the date of this document.
b) The information for each of the financial years is based on issues listed during such financial year.

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 BRLM	Website
1.	ICICI Securities Limited	www. icicisecurities.com
2.	CLSA India Private Limited	www.india.clsa.com
3.	Credit Suisse Securities (India) Private Limited	www.credit-suisse.com
4.	Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html

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 the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI Mechanism.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has obtained authentication on the SCORES and is in compliance with the SEBI circular (CIR/OIAE/1/2014CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus.

After March 31, 2021, our Company and Subsidiaries have not received any investor grievances which were not resolved. As at the date of this Draft Red Herring Prospectus there are no outstanding investor grievances. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 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 Pallavi Karkera, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For details, see "*General Information*" on page 62. The Selling Shareholders have 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 the Offer for Sale.

Our Company has also constituted a Stakeholders' Relationship Committee comprising of Shashank Singh (*Chairperson*), Sudarshan Jain, Ajay Gupta and Anish Bafna as members, to review and redress shareholder and investor grievances. For details, see "*Our Management*" on page 185.

Neither our Group Company nor Subsidiaries are listed on any stock exchange.

SECTION VIII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, Offer for Sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "*Objects of the Offer – Offer Expenses*" on page 93.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and Allotted in the Offer shall rank *pari passu* with the existing Equity Shares in all respects including dividends and other corporate benefits. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 496.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 206 and 496, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 1. The Floor Price is ₹[●] per Equity Share and Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share and the Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

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 disclosure and accounting norms as specified by the SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the AoA of our Company and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 496.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated February 09, 2012 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated June 25, 2021 amongst our Company, CDSL and Registrar to the Offer.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see "*Offer Procedure*" on page 481.

Joint holders

Subject to the provisions of the AoA where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of the 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 the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination/cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Escrow Collection Banks to process refunds to the Anchor Investors within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company and the Promoter Selling Shareholder in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and the filing of the Prospectus with the RoC.

Bid/ Offer Programme

BID/ OFFER OPENS ON	[●][(1)]
BID/ OFFER CLOSES ON	[●][(2)]

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

(2) Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable..*

The above timetable, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders, or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. 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 or such other period as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")

Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST*

* *UPI Mandate end time shall be at 12:00 pm on [•].*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs .

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 3:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Bids and revisions shall not be accepted on Saturdays and public holidays. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the websites of the BRLMs terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive minimum subscription in the Offer: (a) as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, or (b) the minimum subscription of 90% of the Fresh Issue on the Bid / Offer Closing Date, or if the subscription level falls below the aforesaid minimum subscription levels after the Bid / Offer Closing Date due to withdrawal of bids, after technical rejections or for any other reason, or if listing permission is not obtained from the Stock Exchanges for the Equity Shares offered under the offer document, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

Further, the Selling Shareholders and our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by each Selling Shareholders shall be in proportion to the Offered Shares by such Selling Shareholders.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 69 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For details, see "*Description of Equity Shares and terms of Articles of Association*" beginning on page 496.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,900.00 million by our Company and an Offer for Sale of up to 39,100,000 Equity Shares aggregating up to ₹[●] million, comprising up to 39,000,000 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder and up to 100,000 Equity Shares aggregating up to ₹[●] million by the Individual Selling Shareholder. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation [2]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs 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
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): 1. At least [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and 2. [●] Equity Shares shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "*Offer Procedure*" beginning on page 481
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiple of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding QIB portion), subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of Allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the *karta*), companies,	Resident Indian individuals, Eligible

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	NRIs and HUFs (in the name of *karta*)
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(3)] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Offer.*

(1) *Our Company and the Promoter Selling Shareholder in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. 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 details, see "Offer Procedure" beginning on page 481.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in 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 Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 474.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by RIBs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form,); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date, (xii) interest in case of delay in allotment or refund; and (xiii) disposal of application.

*SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("UPI Phase III"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. If the Offer is made under UPI Phase III, the same will be advertised in [●] editions of the English national daily newspaper, [●] editions of the Hindi national daily newspaper, [●] and [●] editions of the Kannada daily newspaper, [●] (Kannada being the regional language of Karnataka, where our Registered Office is located) on or prior to the Bid / Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder 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, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by each Selling Shareholders shall be in proportion to the Offered Shares by such Selling Shareholders.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIBs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, 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. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

(3)

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoter and Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor; (ii) any "person related to the Promoter/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Except to the extent of participation in the Offer for Sale by the Promoter, the Promoter and Promoter Group will not participate in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB confirm or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Non-Debt Instruments Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 495.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, are required to be made 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.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid-up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations venture capital funds which have not re-registered as AIFs 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason. The investment limit for banking companies in non-financial services companies in accordance with the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(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 Promoter Selling Shareholder, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

  (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 Allocation Price shall still be the Anchor Investor Office 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) Neither the BRLMs or any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, see the General Information Document.

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 Promoter Selling Shareholder in consultation with the BRLMs 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 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

* *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.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, NBFC-SI insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million 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, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to such terms and conditions that our Company and the Promoter Selling Shareholder in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders 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 any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form (with maximum length of 45 characters) and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

7. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

8. Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

9. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be;

10. 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. PAN of the First Bidder is required to be specified in case of joint Bids;

11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by Bidders who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

26. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected; and

28. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders)
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
20. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not Bid for Equity Shares in excess of what is specified for each category;
23. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
24. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

28. Do not Bid if you are an OCB;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

31. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism); and

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" on page 62.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S. No.	Name of BRLM	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	CLSA India Private Limited	www.india.clsa.com
3.	Credit Suisse Securities (India) Limited	www.credit-suisse.com
4.	Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or

NEFT) to the Escrow Accounts. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) [●] editions of [●], a widely circulated Kannad national daily newspaper, Kannad also being the regional language of Karnataka, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations and as specified in the Red Herring Prospectus, when filed.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 474.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within six Working Days from the Bid/ Offer Closing Date or such other prescribed

under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

- Except for Equity Shares that may be allotted pursuant to the conversion of employee stock options granted under ESIP – Performance Based and ESIP – Time, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each Selling Shareholders severally and not jointly undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by them for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- the Offered Shares by the Selling Shareholders are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- they shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of their respective portion of Offered Shares pursuant to the Offer;

- they are the legal and beneficial owner of, and have clear and marketable title to, the Equity Shares which are offered by them pursuant to the Offer for Sale and are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions;

- that they 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 them and being offered pursuant to the Offer;

- they shall deposit their respective portions of Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- they are not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court.

- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

- The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013

Utilisation of Offer Proceeds

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment under the FDI Policy and FEMA.

The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effective from October 15, 2020 (the "**FDI Policy**"), which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For details, see "*Key Regulations and Policies*" on page 167.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see "*Offer Procedure*" on page 481.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

Pursuant to the FEMA Non-Debt Instruments Rules, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer.

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registrations requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of Equity Shares in the United States.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of any conflict, inconsistency or contradiction between Part A and Part B, the provisions of Part B shall prevail and override. However, Part B shall automatically terminate and cease to have any force and effect (save and except as expressly set out therein) from the date of Listing of Equity Shares of the Company on a Recognized Stock Exchange (as defined in Part B) without any further action, including any corporate action, by the Company or by the Shareholders.

Authorised Share Capital

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the MoA or as altered from time to time, with power to increase or reduce the capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Alteration of Capital

The Company may, by Ordinary Resolution in its General Meetings, from time to time, alter the conditions of MoA as follows:

a. Increase the share capital by such amount to be divided into shares of such amount as it thinks expedient;

b. Consolidate and divide all or any its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act;

c. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by MoA;

d. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person; and

e. Convert all or any one its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Allotment of Shares

Subject to the provisions of the Act and the Articles, the shares in the capital of the Company for the time being 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 proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board thinks fit.

Lien

The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this article will have full effect. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: provide that no sale shall be made until the expiration of 14 days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder of the share.

Share Certificate

Every Member of the Company shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors approve, to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. The provisions of the Act shall be complied with in the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Act.

Every certificate of shares shall be under the Seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.

If any certificate be defaced, mutilated, torn or old, decrepit, worn- out or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

No fee shall be charged for sub-division and consolidation of share / debenture certificates and for sub-division of letters of allotment, split and consolidation.

Transfer of Shares

The instrument of transfer of any share shall be in writing and all the provisions of the Act shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. The Board may decline to recognize any instrument of transfer unless the instrument of transfer is in the form prescribed under the Act, is in respect of only one class of shares and is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

Transmission of shares

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but 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. Before recognizing any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate or other legal representation as the case may be from a competent court, provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of the probate or letter of administration or a secession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with the Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

Borrowing Powers

The Board may, from time to time and at its discretion, raise or borrow or secure the payment of any sums or sum of money for the purposes of the Company in such manner and upon such terms and conditions in all respects as it thinks fit.

Issue of Bonus Shares

The Company in its General Meeting may resolve to issue the bonus shares to its shareholders subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

General Meetings

All General Meetings of the Company other than the Annual General Meeting shall be called an Extra-ordinary General Meeting. The notice of a General Meeting shall be given to the Members of the Company, the persons entitled to a share in consequence of the death or insolvency of a Member, the Directors of the Company and the auditors for the time being of the Company.

Meetings of Directors

The Board of Directors shall meet at least once in every three months with a maximum gap of four months between two meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four such meetings shall be held in every year. Notice of at least seven days, in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad. The notice shall include the time, venue and agenda of such meeting.

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. If within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

Managing Directors

Subject to the provision of the Act, the Board may, from time to time, appoint one or more Directors to be managing director or managing directors of the Company and may, from time to time. The managing director shall not be liable to retirement by rotation as long as he holds office as managing director.

Appointment of Directors

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year. Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

Subject to the approval of Members in the first general meeting held post listing by way of a special resolution, Quinag shall have the right to nominate and maintain in office, Directors on the Board, as set out below:

(i) 1 director, as long as Quinag holds at least 10% of the equity share capital of the Company on a fully diluted basis;

(ii) 2 directors, as long as Quinag holds at least 20% of the equity share capital of the Company on a fully diluted basis;

(iii) 3 directors, as long as Quinag holds at least 35% of the equity share capital of the Company on a fully diluted basis,

Votes of Members

On a show of hands every Member present in person and being a holder of Equity Shares shall have one vote and every person present either as a Proxy on behalf of a holder of Equity Shares or as a duly authorized representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote.

On a poll, the voting rights of holder of Equity Shares shall be in proportion to his share in the paid-up Equity Share capital of the Company. A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

A person becoming entitled to a share shall not before being registered as Member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to meeting of the Company.

No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right or lien.

Dividend

The Company in General Meeting may declare the dividends, but no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

No dividend shall bear interest against the Company.

Unpaid or Unclaimed Dividend

Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with the provisions of the applicable law.

Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank and transfer to such account, the total amount of the dividend which remains unpaid or in relation to which no divided warrant has been posted.

Any money transferred to the said special 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 fund known as "Investor Education and Protection Fund" established under the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and the Company shall comply with the provisions of the applicable laws in respect of such dividend.

Winding Up

Subject to the provisions of applicable law, the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application, such assets shall be distributed among the Members according to their rights and interests in the Company.

Indemnity

Subject to the provisions the Act, the Company shall indemnify every Director and officer of the Company against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in which relief is granted to them by the court or the tribunal. However, such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director or officer.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated September 5, 2021 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 2, 2021 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).
4. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Registrar to the Offer, Selling Shareholders and the Underwriters.
7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated MoA and AoA of our Company as amended from time to time.
2. Certificate of incorporation dated December 28, 1992 issued to our Company, under the name Sutures India Private Limited by the Registrar of Companies, Karnataka at Bengaluru.
3. Fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, Karnataka at Bengaluru on May 25, 2017 pursuant to change of name from Sutures India Private Limited to Healthium Medtech Private Limited.
4. ESIP – Performance Based and ESIP – Time Based.
5. Employment agreement with Anish Bafna and Mohammed Azeez dated August 17, 2018 and June 21, 2018, respectively.
6. Fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, Karnataka at Bengaluru on August 4, 2021 pursuant to change of name from Healthium Medtech Private Limited to Healthium Medtech Limited.
7. Business transfer agreement dated May 26, 2021, as amended on July 9, 2021, executed amongst our Company, Sri Gopal Krishna Labs Private Limited, Viral Kisandas Parekh, Kisandas Kesurdas Parekh, Chaula Viral Parekh and Hansa Kisandas Parekh.
8. Share purchase agreement dated August 26, 2021 executed by and amongst our Company, Carenow Medical Private Limited, and Sellers (as defined in the Share Purchase Agreement), and Put and Call Option agreement dated August 26, 2021 executed by and amongst our Company, Carenow Medical Private Limited, Anand Venkatachalam, Thangaraj Rajkumar, and Michael Bastiao Rodrigues
9. Seller consent letter dated March 30, 2017, and resolution passed by the board of directors of Quality Needles Private Limited on March 30, 2017 for the acquisition of Quality Needles Private Limited by our Company. Resolutions passed by the board of directors of Quality Needles Private Limited and Healthium OEM Private Limited on March 31, 2017 for the transfer of Quality Needles Private Limited by our Company to its Material Subsidiary, Healthium OEM Private Limited.

10. Stock transfer forms dated May 13, 2015 and April 25, 2016 and call option agreement dated May 13, 2015 executed by and amongst Sironix Medical Technologies B.V. and Hemang Badiani acquisition of Clinisupplies Limited by Sironix Medical Technologies B.V.

11. Stock transfer forms dated May 13, 2015 for the acquisition of Clinidirect Limited by Sironix Medical Technologies B.V.

12. Assets Transfer Agreement dated October 3, 2017 executed by and amongst Healthium OEM Private Limited; and Amazing Rubber Products Private Limited.

13. Shareholders' Agreement dated September 14, 2020 and Amendment and Termination Agreement dated September 2, 2021 executed by and amongst our Company, Quinag, Mahadevan Narayanamoni, Sudarshan Jain, Vishal Maheshwari and Kankana Barua.

14. Joint Venture Agreement dated July 2, 2012 executed by and amongst our Company and Yasour Co. for Medical Supplies.

15. Intellectual Property Assignment Agreement dated April 1, 2020 executed by and amongst our Company and Dr. Hemanth Kumar Alladu.

16. Intellectual property assignment agreement dated July 9, 2021 executed by and amongst our Company and Sri Gopal Krishna Labs Private Limited.

17. Share purchase agreement dated July 1, 2021 executed by and amongst Clinisupplies Limited, Lewis Norman Calcutt and Stephanie Calcutt, in relation to acquisition of 100% shareholding of VitalCare Trading (UK) Limited by Clinisupplies Limited.

18. Resolution of the Board dated September 1, authorising the Offer, and the Fresh Issue resolution authorised by our Shareholders dated September 2, 2021.

19. Resolution of the Board dated September 5, 2021 approving the DRHP.

20. Copies of the annual reports of our Company for the Financial Years 2021, 2020 and 2019.

21. Written consent of the Selling Shareholders, Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsels to the BRLMs, Legal Counsel to Selling Shareholders, Chartered Engineer, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

22. Written consent dated September 5, 2021 from our Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, Chartered Accountants to include their name, as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft red Herring Prospectus, as an "expert" as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 1, 2021 on our Restated Financial Information; and (ii) their report dated September 3, 2021 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

23. Report titled "Independent Market Report on Surgical Devices and Medical Consumables Market in Select Geographies" dated September 3, 2021 prepared and issued by Frost & Sullivan.

24. Written consent dated September 3, 2021 issued by Frost & Sullivan with respect to the report titled "Independent Market Report on Surgical Devices and Medical Consumables Market in Select Geographies" dated September 3, 2021

25. Consent letters from the Promoter Selling Shareholder and Mahadevan Narayanamoni, authorising their participation in the Offer.

26. Resolution dated August 31, 2021 passed by the board of directors of the Promoter Selling Shareholders authorising the Offer for Sale for the Equity Shares offered by it.

27. The certificate and consent issued by Protech Consultants, Chartered Engineer dated September 1, 2021.

28. Due diligence certificate dated September 5, 2021, addressed to SEBI from the BRLMs.

29. In principle listing approval dated [●] and [●] issued by BSE and NSE, respectively.

30. Tripartite agreement dated February 9, 2012 between our Company, NSDL and the Registrar to the Offer.

31. Tripartite agreement dated June 25, 2021 between our Company, CDSL and the Registrar to the Offer.

32. SEBI observation letter bearing reference number [●] and dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XI: CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences to U.S. Holders (defined below) of acquiring, owning and disposing of Equity Shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire Equity Shares. This discussion applies only to a U.S. Holder that acquires Equity Shares in the Offer and that owns Equity Shares as capital assets for U.S. federal income tax purposes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated thereunder, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Draft Red Herring Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the government of the United States of America and the government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "Treaty"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks or financial institutions;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;
- persons holding Equity Shares as part of a hedge, straddle, conversion, constructive sale, integrated transaction or similar transaction;
- persons liable for the alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to our Equity Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- certain U.S. expatriates;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of our outstanding stock; or
- persons owning Equity Shares in connection with a trade or business conducted outside the United States.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of Equity Shares in their particular circumstances.

For purposes of this discussion, a "U.S. Holder" is a person that, for U.S. federal income tax purposes, is a beneficial owner of Equity Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes owns Equity Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. Partnerships owning Equity Shares and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Equity Shares.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF EQUITY SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

Taxation of Distributions

Subject to the discussion below under "—Passive Foreign Investment Company Rules," the gross amount of any distribution of cash or property paid with respect to our Equity Shares (including any amounts withheld in respect of Indian taxes), will generally be included in a U.S. Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the U.S. Holder's adjusted tax basis in our Equity Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held our Equity Shares for more than one year as of the time such distribution is actually or constructively received. Because we do not prepare calculations of our earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be taxable to U.S. Holders as dividends, and taxable at ordinary income tax rates.

Dividends on our Equity Shares generally will not be eligible for the dividends-received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to "qualified dividend income," provided that (i) the Company is eligible for the benefits of the Treaty, (ii) the Company is not a PFIC (as discussed below under "—Passive Foreign Investment Company Rules") for its taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period and other requirements are met. The amount of any dividend paid in Rupees will be the U.S. dollar value of the Rupees calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable Indian income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Company generally will constitute foreign source income in the "passive category income" basket. The rules relating to the foreign tax credit or deduction, if elected, are complex and U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale or Other Taxable Disposition of Equity Shares

Subject to the discussion below under "—Passive Foreign Investment Company Rules," a U.S. Holder generally will recognize gain or loss for U.S. federal income tax purpose on the sale, exchange or other taxable disposition of our Equity Shares in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Equity Shares disposed of, in each case as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Equity Shares exceeds one year. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A U.S. Holder's initial tax basis in our Equity Shares will be the U.S. dollar value of the Rupee denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange or other taxable disposition of our Equity Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If our Equity Shares are treated as traded on an "established securities market," a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Rupees.

If any Indian tax is imposed on the sale or other disposition of our Equity Shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. Because capital gain or loss, if any, will generally be U.S. source gain or loss for foreign tax credit purposes and a U.S. Holder may use foreign tax credits to offset only the portion of U.S. federal income tax liability that is attributable to foreign-source income, a U.S. Holder may not be able to claim a foreign tax credit for any Indian income tax imposed on such gains unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Indian income tax imposed on the disposition of Equity Shares in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organized outside the United States will be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the "income test") or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "asset test"). For this purpose, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Based on the nature of our business, the composition of our income and assets, the value of our assets, our intended use of the proceeds from the Offer, and the expected price of our Equity Shares, we do not believe that we were a PFIC for the 2020 taxable year, or expect that we will be a PFIC for our current taxable year or in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and the Company's PFIC status for each taxable year will depend on facts, including the composition of Company's income and assets and the value of Company's assets (which may be determined in part by reference to the market value of the Equity Shares) at such time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares and any of the Company's non-U.S. subsidiaries is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of the Company's subsidiaries.

Generally, if the Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares, the U.S. Holder may be subject to adverse tax consequences. Generally, gain recognized by a U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of Equity Shares by the U.S. Holder would be allocated ratably over the U.S. Holder's holding period for such Equity Shares. The amounts allocated to the taxable year of disposition and to years before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to the allocated amount. Further, to the extent that any distribution received by a U.S. Holder on the Equity Shares exceeds 125% of the average of the annual distributions on such Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments of the Equity Shares if the Company was a PFIC.

If the Company was a PFIC for any year during which a U.S. Holder owned Equity Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder held the Equity Shares, even if the Company ceased to meet the threshold requirements for PFIC status.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to the Company, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding our PFIC status for any taxable year and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of our Equity Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the Equity Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold our Equity Shares, subject to certain exceptions (including an exception for our Equity Shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the Equity Shares.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Ajay Gupta

____

(Non-Executive Independent Director)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Anish Bafna

____

(Managing Director and Chief Executive Officer)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Mohammed Azeez

____

(Whole-time Director and COO)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Ramesh Subrahmanian

____

(Non-Executive Independent Director)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Shashank Singh

____

(Non-Executive Nominee Director)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Steven Dyson

____

(Non-Executive Nominee Director)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sudarshan Jain

____

(Non-Executive Nominee Director)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements and disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Namrata Kaul

____

(Non-Executive Independent Director)

Place:
Date:

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

____

Vishal Maheshwari

Place:
Date:

DECLARATION

Quinag Acquisition (FDI) Limited hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Promoter Selling Shareholder and its portion of the Offered Shares, are true and correct. Quinag Acquisition (FDI) Limited, as a Promoter Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

QUINAG ACQUISITION (FDI) LIMITED

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(*Signed by and on behalf of Promoter Selling Shareholder*)

Name:
Designation:

Date:
Place:

DECLARATION

I hereby confirms that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I, as a Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or the Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE INDIVIDUAL SELLING SHAREHOLDER

MAHADEVAN NARAYANAMONI

____
(Individual Selling Shareholder)

Place:
Date: